FOREIGN BROADCAST INFORMATION SERVICE

Daily Report

Latin America

FBIS-LAT-94-038
Friday
25 February 1994

Daily Report
Latin America

FBIS-LAT-94-038 *25 February 1994*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Cooperation Agreement Between Andean Group, Aladi Viewed *[LA MANANA 17 Feb]* 1
International Office Created To Combat Drug Trafficking *[EL PERUANO 14 Feb]* 1

CARIBBEAN

Cuba

Foreign Minister Outlines Role of Foreign Policy Maker *[Havana Radio]* 2
Almeida, Robaina Receive New Bolivian Ambassador *[Havana TV]* 2
Castro Receives War Correspondent Diploma From Rebelde *[Havana TV]* 2
Gas Plant Spokesman Explains 24 Feb Lack of Service *[Havana Radio]* 3
Economist Views Monetary Situation *[Havana Radio]* 3
Official Stresses Leadership's Confidence in Granma Workers *[Havana Radio]* 5
Interview Highlights New Support for Rangel Proposal *[Havana Radio]* 5
Prosecuting Attorneys Sworn In, Awarded *[Havana TV]* 5

Haiti

Aristide Presents Counterproposals To Resolve Crisis *[Port-au-Prince Radio]* 5
MOP Supports Aristide Plan, 29 Mar Return *[Port-au-Prince Radio]* 6
Aristide To Travel To New Hampshire, France, Geneva *[Port-au-Prince Radio]* 6
Cedras Fails To Appear in Senate on 23 Feb *[Port-au-Prince Radio]* 6
Plan for New Government Unchanged by Cedras Absence *[Port-au-Prince Radio]* 7
Belizaire Opposes Embargo, Asks That 'Vacuum' Be Filled *[Port-au-Prince Radio]* 7

MEXICO

EZLN, Government Reach Agreements on 5 Points *[Mexico City TV]* 8
Salinas Hails Progress *[NOTIMEX]* 8
Marcos on Talks With Parties *[Mexico City Radio]* 9
Advancement in Talks Announced *[NOTIMEX]* 10
EZLN Proposes Cogovernment *[NOTIMEX]* 10
Peace Commissioner Comments *[Mexico City TV]* 11
Marcos: 50 Percent of Demands Resolved *[Mexico City TV]* 11
PRD Organizes 100 Marches *[Mexico City Radio]* 12
Tello on Good Relations With Germany *[NOTIMEX]* 12
German Minister on Exports, Investments *[NOTIMEX]* 12

CENTRAL AMERICA

Costa Rica

Manufacturers Reject Mexico's Latest Free Trade Offer *[LA NACION 17 Feb]* 13
President-Elect Figueres on Taxes, Reforms *[San Jose Radio]* 13

El Salvador

Santa Ana Prison Take Over Continues Without Solution *[San Salvador Radio]* 14
Solidarity Movement Candidate on Economic Plan *[LA PRENSA GRAFICA 22 Feb]* 14

Guatemala

De Leon Discusses Government Advances *[PRENSA LIBRE 20 Feb]* 16
Fenasep Issues Communique on Conflict *[Guatemala City TV]* 17
Demonstration in Western Area *[Guatemala City TV]* 18

Nicaragua

Government-Recontra Peace Talks Get Under Way *[Managua Radio]* 18
Agreement Reached *[Managua TV]* 19
Details of Agreement *[Managua Radio]* 19
Sandinist Youth Movement 'Unexpectedly' Dismisses Leaders *[BARRICADA 21 Feb]* 19
Chamorro Receives Russian Deputy Foreign Minister *[Managua Radio]* 20
Revolutionary Nature of FSLN To Continue *[BARRICADA 25 Jan]* 20
FSLN Assembly Member Calls for Party Unity *[BARRICADA 27 Jan]* 21
Directorate Structure Blocks Democracy *[EL NUEVO DIARIO 28 Jan]* 22

Panama

Revolutionary Party of the Workers Endorses PRD
[LA ESTRELLA DE PANAMA 21 Feb] 23
Roundup of Electoral Developments *[Panama City TV, etc.]* 23
Comptroller General on Financial Situation *[LA PRENSA 20 Feb]* 24
Foreign Ministry Denies Confiscation of U.S. Assets *[Panama City TV]* 27
EU Ambassador Signs Cooperation Agreements *[ACAN]* 27

SOUTH AMERICA

Bolivia

Police Attache Appointment to Embassy in U.S. Questioned *[La Paz TV]* 28
Lawmakers: U.S. Drug Policy Entails 'Social Problems' *[LA RAZON 12 Feb]* 28
Chapare Coca Growers Mobilized Against Eradication *[PRESENCIA 12 Feb]* 28
Growers Propose DEA 'Expulsion' *[LOS TIEMPOS 13 Feb]* 29
Antinarcotics Agreement Signed With Chile *[PRESENCIA 13 Feb]* 29
Decision To Overcome Landlocked Status Confirmed *[PRESENCIA 14 Feb]* 30
President Presents Popular Participation Law *[La Paz Radio]* 30
Labor Group Accused of Threatening Stability *[LOS TIEMPOS 10 Feb]* 30
Workers Union Leader Warns of Land Takeover by Peasants *[LA RAZON 15 Feb]* 31

Brazil

Agenda For Promulgation of Emergency Fund Outlined *[Rio de Janeiro TV]* 32
Finance Minister Explains, Defends Real Value Unit *[Rio de Janeiro TV]* 32
Senate Vote on Patent Law Expected After Mid-1994 *[FOLHA DE SAO PAULO 23 Feb]* 32
War College Commander Advocates State Petroleum Monopoly
[O ESTADO DE SAO PAULO 24 Feb] 33
Roundup of Reportage on Economic Activities *[Brasilia Radio, etc.]* 33
* Strikes Increase 16.98 Percent in 1993 *[GAZETA MERCANTIL 25 Jan]* 34
* IBGE Releases December Unemployment Figures *[GAZETA MERCANTIL 1 Feb]* 35
* Firm Drills for Oil Off Cuba's Coast *[GAZETA MERCANTIL 3 Feb]* 35
Franco To Attend Chilean Presidential Inauguration *[Madrid EFE]* 36
Aeronautics Chief Denies Military Pressure on Minister *[Brasilia Radio]* 36
Deadline To End Constitutional Revision Postponed
[O ESTADO DE SAO PAULO 24 Feb] 36
JORNAL DA BAHIA Folds, Fires Workers *[FOLHA DE SAO PAULO 23 Feb]* 36

Chile

Government Objects to Argentine Brochure on Disputed Area *[Santiago Radio]* 36
Police Capture Seven Lautaro 'Terrorists' *[Santiago Radio]* 37

Interior Minister on 'Cowardly' Terrorist Attacks *[Santiago Radio]* 37
Official Says Attacks Due to Prisoners' Transfer *[Madrid EFE]* 38

Colombia

Casas 'Had Access to Confidential Information' *[Santa Fe de Bogota TV]* 38
Foreign Minister Sanin Comments *[Hamburg DPA]* 38
Medellin Bomb Explosions Protest U.S. Troop Presence *[Santa Fe de Bogota TV]* 39
Sources Confirm Drug Traficker 'Will Not Be Released' *[Santa Fe de Bogota TV]* 39
Government Said Studying Cali Cartel Operations *[EL ESPECTADOR 23 Jan]* 39
Reportage on Official Visit by Argentina's Menem 40
Remark on Chiapas Noted *[LA PRENSA 20 Feb]* 40
Endorses Gaviria's OAS Candidacy *[Santa Fe de Bogota TV]* 40
Ends Trip, Returns to Buenos Aires *[NOTICIAS ARGENTINAS]* 41
Accord Allows Cuba To Buy 20,000 Barrels of Oil Daily *[Madrid EFE]* 41
Roundup of Reportage on Electoral Developments *[EL NUEVO SIGLO 14 Feb, etc.]* 41

Ecuador

Defense Minister Denies Rumors of President's Resignation *[Quito Radio]* 42
Government Initiates 'Strict' Austerity Program *[Quito Radio]* 42

Paraguay

Police Repress Tavapy Peasants; Injuries Reported *[NOTICIAS 24 Feb]* 42
Former Governor Receives Death Threats, Seeks Asylum *[NOTICIAS 24 Feb]* 43
Episcopal Group Urges Authorities To Solve Social Problems *[ULTIMA HORA 24 Feb]* 43

Venezuela

Retired Officer Involved in Coup Released From Prison *[Caracas TV]* 44
Finance Minister, OCI Director Say VAT Still in Effect *[Caracas TV]* 44

Cooperation Agreement Between Andean Group, Aladi Viewed

PY2402132394

[Editorial Report] Montevideo LA MANANA in Spanish on 17 February publishes on page 6 a 500-word unattributed article on a cooperation agreement signed by the Andean Development Corporation, CAF, and the Latin American Integration Association, Aladi, which will enable CAF "to identify investment opportunities" in 11 Aladi member countries.

CAF Chairman Enrique Garcia Rodriguez told LA MANANA that the agreement will be instrumental in helping Aladi member countries in their integration drive. The article quotes Garcia Rodriguez as saying: "We believe we can play a support role in trade exchanges between the different integration areas like the Andean Group; the Common Market of the South; the group of three—Mexico, Colombia, and Venezuela; the Central American Common Market; and Chile, which even though it is not a member of these groups, furthers an open policy toward integration."

Garcia Rodriguez noted: "Seventy percent of CAF credits are earmarked for bolstering private initiatives."

International Office Created To Combat Drug Trafficking

PY2502012094 Lima EL PERUANO in Spanish 14 Feb 94 p B1

[Text] The creation of an International Judicial Assistance Office, involving the United Nations and each country of the continent, to promote the exchange of information that may contribute to complete investigations into cases of drug trafficking, was approved during the recent South American Antidrug Convention. This was an initiative of the Peruvian delegation.

Information on this important agreement was disclosed by Ernesto Vera Tudela, member of the 11th Lima Criminal Superior Court, who represented Peru together with Victor Prado, Judge Irma Simeon, and prosecutor Loayza y Sanchez of the Attorney General's Office.

The convention was held in Bogota, Colombia, and had the merit, thanks to Peru, of implementing an agreement that was signed but never enacted in 1988, when the first proposal to create a Judicial Assistance Office of these characteristics was made.

Vera Tudela said that the Peruvian proposal was approved and received the congratulations of the Colombian Justice Minister himself, in view of the fact that offices of this nature, at a continental level, are currently necessary to provide information requested by any Judicial Branch of the area in order to be able to complete an investigation.

Vera Tudela commented: "Police investigations were only coordinated through Interpol, but we lack a coordination between Judicial Branches in order to be able to complete investigations which many times reach a stalemate because the necessary evidence or information is retained in another country."

He added that the purpose is to create this office at a Judicial Branch level so that it can encourage the signing of conventions and agreements of public need, to allow the clarification not only of drug trafficking crimes but also crimes against the state, trafficking in minors, etc.

Cuba

Foreign Minister Outlines Role of Foreign Policy Maker

FL2402164094 Havana Radio Progreso Network in Spanish 1200 GMT 24 Feb 94

[Passages within quotation marks are recorded]

[Text] Accompanied by members of the diplomatic corps accredited to Cuba, and Cuban and foreign journalists, Robaina has just completed a work trip to Pinar del Rio Province. This is what he had to say during the return trip to Havana:

"There could not be a Cuban foreign policy and Cuba would not have the voice and vote it has today if it were not thanks to the dedication we have seen in the fields, thanks to the dedication we saw at the biological factories, thanks to the efforts of so many men and women whom we do not have the privilege of personally knowing, and who do this 24 hours a day under conditions much more difficult and complex than those under which I travel the world."

Regarding the results of his first year as head of the Foreign Ministry, Robaina said:

"It has meant a significant change in my life, not so for the work. I believe the only reason we have to be pleased is that it seems that some people believe that we are doing what needs to be done. I am not comparing whether the work is better or worse than that done before me. I prefer to think that we do today what we do thanks to what was done before. My only interest is for the foreign policy conducted to reflect the times. I believe we have been doing so."

Foreign journalists asked Robaina the trite question about his work style as head of the Foreign Ministry.

"I insist that when I was given this responsibility I was not given conditions. They simply knew me when they appointed me. The mission I was given was to conduct the country's foreign policy following aspects of the work initiated with the youth dealing with our image abroad. I can say that no one has asked me to change my style. I was given a task and I have assumed it in the manner I think it should be assumed. I also think that style is part of the revolutionary training. I do not think it is just the fruit of an individual's private initiative. I think I have interpreted the revolution in this manner and I am trying to carry it out.

"Concerning contradictions and concerns about this mission, I think there were concerns when I was appointed foreign minister. Concerns and worries will always exist, and there will be favorable and unfavorable opinions about this mission. But I can honestly say that I do not worry about the number of people who might be in favor or against this mission. I do that which I am positively convinced is the best thing to do."

Almeida, Robaina Receive New Bolivian Ambassador

FL2502032494 Havana Cuba Vision Network in Spanish 0100 GMT 25 Feb 94

[Text] Today, in a solemn ceremony, Commander of the Revolution Juan Almeida Bosque and Cuban Foreign Minister Roberto Robaina Gonzalez received the credentials of (Juan Franklin Analla Vasquez) which accredit him as ambassador extraordinary and plenipotentiary of the Republic of Bolivia. The Bolivian ambassador was accompanied by his adviser Mr. (Enrique Sorianao). At the conclusion of the ceremony, the ambassador and his adviser deposited a floral wreath at the Jose Marti monument.

Castro Receives War Correspondent Diploma From Rebelde

FL2502030994 Havana Cuba Vision Network in Spanish 0100 GMT 25 Feb 94

[Comments by Cuban President Fidel Castro during a ceremony marking Radio Rebelde's 36th anniversary at station's Studio 2 on 25 Feb—recorded]

[Text] Invited by its workers, Commander in Chief Fidel Castro today visited Radio Rebelde on the occasion of its 36th anniversary. The topic of the dialogue was the rich history of this radio station. Furthermore, (Duval Paez), president of the Union of Journalists of Cuba, presented Fidel with a diploma acknowledging him as a war correspondent.

[Paez] Every war correspondent has this diploma in his home.

[Castro] Thank you, Tubal. I did not think I would receive so many honors tonight. I came here to celebrate the 36th anniversary, and you have given me a great surprise. Did you know I had complained? [crowd chuckles] I complain and always will complain [chuckles], first of all because they were speaking of all the collaborators in Radio Rebelde. I believe it was at the meeting of the Union of Cuban Journalists [UPEC]. I asked [name indistinct] why was I not mentioned? [crowd laughs] I worked for Radio Rebelde and I had worked as a collaborator. Then they forgot about it and I protested, but I did it jokingly. I was not serious; it was only a joke.

Today, I can see that I was given two diplomas—one for being a collaborator and the other for being a war correspondent. I had no other option than to be a war correspondent. I had to provide information and news each day. That role of providing information on the most important events was very important. I believe we will continue talking about what Radio Rebelde is. Very little has been said of what Radio Rebelde represented. I would suggest we talk about its history: how it was organized, when we received the equipment, how much power the station had, how it was repaired and maintained. I believe that some comrades, such as Eduardo

[not further identified], can tell us how the station was established because the station became much more than we imagined when it was first established.

[Announcer] After acknowledging all of the station's founders, its current workers, and the station's beginnings, history, and the role it played as a political instrument of the rebel army in the battle against the forces of the dictatorship, they spoke about the present: The radio's role in these difficult circumstances.

[Castro] I can see the decisive role radio plays in these times. I could compare this special period, the political moment the country is living, with those days of struggle in the Sierra Maestra, those days in 1958 that we have been talking about here, except that this is a more prolonged period of time. I would even say that these are more difficult times than those, requiring greater effort, more talent and dedication, work carried out under complex situations, especially when the economy of the country has received such tremendously hard blows, and when only a miracle of determination can explain how the country has been able to resist.

Today, I see radio in general, not only Radio Rebelde, as great in a moment similar to those times—in a difficult moment, a decisive period. I hope the workers, the journalists who work in radio are aware of this and are at the level of Radio Rebelde in those times. Someday the new generations will meet here with the older ones who may live that long to meet again. They will have to meet to remember what radio represented during these difficult times of the special period. [applause]

Gas Plant Spokesman Explains 24 Feb Lack of Service

FL2502031994 Havana Radio Rebelde Network in Spanish 0000 GMT 25 Feb 94

[Text] We will now contact the main engineer at the Mario Fortuny Manufactured Gas Plant, comrade (Raul Itina), who will give us the latest information on the gas service outage in the capital. Good evening, Raul.

[(Itina)] Good evening. We are advising you on the situation that came up today with regard to supplying the population of the city of Havana with manufactured gas.

At approximately 0500 this morning, we had an electricity outage on both of the circuits that supply the Mario Fortuny gas plant with electricity. This breakdown has dragged on because one of the electrical substation's transformers has been damaged. The comrades from the power company have been working on this (?since) very early this morning, and they continue to work to solve this situation.

As a consequence of this event, gas service has been seriously affected today. Sometime tonight—we think that as of 2030, between 2030 and 2100, when the comrades finish—we are going to resume supplying gas, although the service will be deficient because the electric company's work is going to continue tomorrow, until it is finished. (?Thus), we ourselves should be able to normalize the situation sometime tomorrow afternoon.

That is the information we wanted to give the population.

Economist Views Monetary Situation

FL2402194694 Havana Radio Rebelde Network in Spanish 1255 GMT 24 Feb 94

[Interview with Economist Julio Carranza by mobile unit reporter Mariela Diaz; place not given—live or recorded]

[Text] [Diaz] Carranza, do you think a change in Cuban money would solve the excess currency problem? I would also like to know your opinion concerning the possible creation of a Cuban hard currency certificate, at an exchange rate still to be determined, and if this is possible, would it the exchange rate be adequate?

[Carranza] You are asking two complex questions. And first of all, these are my personal opinions. I think any of these measures you mentioned would be valid but only to the extent that they come within a context of measures and are part of a sufficiently coherent strategy. As I had said before, the economy is a system, and the economy does not operate on singular measures, but on well-prepared strategies within which the different measures are interconnected, playing a supplementary role, and this is what makes the decisions within the economic policy effective in the medium- and long-term, and also in the short-term. Thus, concerning the question about a change in currency, or about the freeze of bank accounts, my answer is that it depends on the manner in which the measure is implemented; it depends on the context of the strategy adopted.

Taking this into consideration, whether it is part of an adequate strategy, surely a change in currency could be one of the measures that would help restore the country's financial balance. However, this very answer leads me to a second consideration: that there can be different types of hard currency exchange systems. There are different ways of exchanging currency. It has to do with the amount of money, and the way to handle the future hard currency certificate. There are also a set of technical matters that must be considered, and they would also depend on the set of measures to be adopted.

The same thing would happen concerning a freeze of bank accounts during a given period. I would say that discussions on a well-prepared proposal, concerning the strategy for the country's economic feasibility, contemplate these measures, but in a general manner and not as a specific singular measure.

[Diaz] Would you say the same thing on the possible creation of a convertible Cuban hard currency certificate?

[Carranza] Monetary problems of the economy are the most complex of any economic system. As a consequence of the necessary measures adopted over the past few years to counterbalance the current crisis, Cuba has in fact authorized the circulation of two different currencies in the country. That is, the peso and the rest of the other currencies, which are convertible currencies, the most common of which is the dollar, as you know. This brings into the economy an abnormal situation which has been necessary because of the crisis situation as we have already explained it on different occasions.

I think that, concerning money circulation, the strategic idea would be to recover normalcy within the country's monetary structure, and to achieve this, we must seek the reestablishment of a single currency in the country. This is my opinion. And when I say a single currency, I am saying it in strategic terms, referring to a a single money, a Cuban currency that will have no other parallel. This does not mean, in strategic terms, that possession of currency will be penalized. Possession of currency is one thing, while circulation of currency is quite another thing. One thing is that a citizen can legally have a given amount of currency, but it is a different thing to have this money to use as a means of exchange in the economy. This money, or the circulation of it, is what I believe must be changed into a single currency. Between these currencies, there is the possibility of creating this Cuban currency you mentioned, which would create a better situation than what we have now, because it would be a Cuban currency which would be under better control. But in a more strategic context, I think we must strive for a single currency that would deal with the exchange rate of the Cuban peso, and which will comply with Cuba's true economic demands and its relations with other countries.

[Diaz] But Julio, suppose the money is collected one way or another. I think nothing will be achieved with the money that remains and which has no commercial value. That is, we must necessarily try to increase production, to increase supply. How can the current economic situation be improved when there is a scarcity of resources and inefficiency prevails. And how long would this recovery take place? Could it be achieved this year?

[Carranza] Look, every time this subject is brought up, many people rightly say that ultimately the crisis will be solved by increasing production. And I believe this is a correct opinion. But before that we must ask a question, which I think is a key question: How are we going to create the conditions to increase production? That is the problem. If production could be increased by decree, then the crisis would obviously be solved because the problem after all is a production problem. But what the economy must do is to restore the conditions for promoting production. And here is where all the discussions must focus on the measures to be adopted, either short- or long-term measures. I think in a first stage—which will begin when the National Assembly of the People's Government adopts the appropriate measures—the objective will not be and could not be to increase production, but to restore the balance. What do we have within the current situation of financial imbalance? The economic upturn process is a very complex task. Under a given condition of greater economic balance, where salaries will regain their purchasing power and where other conditions will be created, we would be creating better conditions—not just conditions, but the best situation for a recovery process. Then, this is the first condition I mentioned. We must restore the financial balance and create the conditions to increase production.

Everything that can be done, small actions that can allow us to take small steps to increase production, especially the efforts being made by workers following their revolutionary awareness, is very important. But in general terms, we must recover the balance to push national production forward. This is the first point, and I am going to the second point.

Concerning financial recovery, in order to make an evaluation of a possible recovery of the economy, we need, among other things, statistical data which I do not have at hand at this moment. Had I known some details perhaps I could give you a more authoritative analysis, but I need some statistical data. But what I can say is that under current conditions production recovery is a complex and complicated problem. It demands much effort. I must also say that although the objective is to grow, we must focus on the recovery of the financial balance.

I also think that we must also take into account the fact that the Cuban economy has dropped considerably over the past few years. I can say that it dropped approximately 40 percent, and so the economy is already experiencing a tremendous downswing, and going lower than that will be very difficult. That is, we are experiencing the lowest level, and for this reason I believe that a new process could begin in a medium-term, a process of change in the economic policy, of a slow upturn until, to the extent that the conditions are created, production is increased in a more effective manner in the medium term.

I want to add something which I consider important. It has been said that the Cuban international situation is very complicated because of the blockade, and because of the severance of relations we used to have with the socialist block, therefore Cuba depends on a recovery of its production. I want to say that these factors are very important, but as I said the first day, regardless of the different forms of internal production, despite the different economic policies, and despite the difficult international relations, the country can give a different productive answer. And this is the effort I believe we must make, because the economic policy and the organization of the productive areas depend on us and not on the world situation, although the latter might be very important.

Official Stresses Leadership's Confidence in Granma Workers

FL2402164294 Havana Radio Reloj Network in Spanish 1502 GMT 24 Feb 94

[Text] Minister Jose Naranjo, chief of the Council of State's Coordination and Support Staff, has stressed the confidence the Cuban political leadership has that Granma's sugar industry workers and entire people will carry out a sound productive response in the current harvest. Naranjo pointed out that this province has traditionally marked the pace for the sugar industry.

Jose Naranjo and Alfredo Enrique Pina, first secretary of the Communist Party of Cuba in Granma Province, chaired an assessment meeting, which discussed the development of the sugarcane harvest and its recovery program. The overall good performance of the Roberto Ramirez and Bartolome Maso Mills, as well as the significant sugarcane planting efforts by the Union of Young Communists in the province, were underscored at the meeting.

Interview Highlights New Support for Rangel Proposal

FL2402205494 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Feb 94

[Text] An important news conference was held yesterday in Washington with the participation of Reverend Lucius Walker, Jesse Jackson, and Democratic Congressman Charles Rangel. Listen now to a telephone conversation between reporter Zeneida Costales and (Yuri Guerra), collaborator in the U.S.-Cuba friendship caravan.

[Begin recording] [Costales] First of all, we would like to know the main points discussed at the news conference.

[(Guerra)] Three matters were the focus of the news conference: the two Canadian contingents that traveled from Vancouver and Montreal to the United States, the ecumenical alliance established between the Rainbow Coalition led by Jesse Jackson, and (IFCO), the principal organization of the Pastors for Peace; and two additional signatures of support to Rangel's request for an immediate end to the embargo. This is a victory for us—acquiring new supporters for our cause through the U.S. Congress.

[Costales] To your knowledge, what impact has this conference had on the U.S. media?

[(Guerra)] This news conference was covered by National Public Radio at the national level. As you know, Rev. Jesse Jackson is well known in the country and worldwide. This has enhanced the importance of the event.

[Costales] We appreciate these words by (Yuri Guerra), a collaborator in the U.S.-Cuba friendship caravan.

Prosecuting Attorneys Sworn In, Awarded

FL2502031694 Havana Cuba Vision Network in Spanish 0100 GMT 25 Feb 94

[Text] Today, prosecuting attorneys of the attorney general's office of the Republic were sworn in for a five-year terms in accordance with law No. 4 of the organization of the judicial system in Cuba. These prosecuting attorneys were picked by the Council of State at the request of Dr. Juan Escalona, attorney general of the Republic. Of these attorneys, 30 were ratified and eight will be serving in such important posts for the first time.

During the solemn ceremony, Norma Ortega Navarro, the secretary general of the National Public Administration Workers Union, presented awards to 13 prosecuting attorneys who had served for more than 25 years, for their outstanding work on behalf of the interests and rights of the working people and the fight against crime.

Similar ceremonies were held in the 14 provinces of the country and the Isle of Youth.

Haiti

Aristide Presents Counterproposals To Resolve Crisis

FL2402175494 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Feb 94

[Text] Exiled Haitian President Jean-Bertrand Aristide has presented counterproposals in reaction to the political plan of a group of Haitian parliamentarians. He would require first the departure of the military who overthrew him, then his return to power within 10 after the designation of a prime minister. In a letter to the UN Security Council, a copy of which AFP acquired on 23 February, Haitian Ambassador to the United Nations Fritz Longchamp presented the sequence proposed by President Aristide for an irreversible resolution of the Haitian crisis.

This sequence provides first for the departure of the leaders of the 30 September 1991 coup d'etat, as stated in the Governors Island accord. This can be obtained through the adoption of more severe sanctions against Haiti by the UN Security Council along with efforts to put an end to the flood of goods entering the country through the border with the Dominican Republic, the document adds. President Aristide's proposal then provides for the adoption by the Haitian parliament of some measures including an amnesty for the military and a law on the creation of a new police force. The following steps include the deployment of the UN technical assistance mission, the designation of a new prime minister, and the return of President Aristide 10 days after this appointment. Finally, Mr. Aristide's plan provides for the lifting of the sanctions adopted by the UN Security Council, the prime minister's taking the oath, and the resumption of economic assistance to Haiti.

These counterproposals have been presented by President Aristide following the plan proposed in Washington last week by a group of Haitian parliamentarians. This plan, which is actively supported by the United States, provides first for the appointment of a prime minister and the creation of a government of concord, but does not specify a date for Aristide's return to Port-au-Prince.

According to Mr. Longchamp, it would be irresponsible to proceed to designate any prime minister—who would risk his own life—before the deployment of the UN mission. UN Secretary General Butrus Butrus-Ghali, who talked on the phone with Aristide on the evening of 22 February, had no comments to make for the moment on Mr. Longchamp's letter, stated UN spokesman Joe Sills. Mr. Butrus Butrus-Ghali implicitly supported this week the plan of the parliamentarians. The secretary general invited President Aristide to come quickly to UN headquarters to continue the discussions with representatives of the friends of Haiti—including Canada, the United States, France, and Venezuela—in an attempt to look for a solution to the crisis, Mr. Sills added. However, Mr. Aristide, who has to go to Europe in the next few days, advised Mr. Butrus Butrus-Ghali that he would contact him on his return scheduled for 5 March. This answer has given rise to a certain irritation among UN officials in New York.

MOP Supports Aristide Plan, 29 Mar Return

FL2502000994 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Feb 94

[Excerpts] The Movement for the Organization of the Country [MOP] has come out against the accusations of intransigence and bad faith brought against the Haitian head of state. President Aristide cannot be held responsible for the failures already recorded. [passage omitted]

The party is convinced that one cannot support the return of President Aristide while seeking the best way to implement Article 148 of the Constitution [which provides for assumption of power by the prime minister in the event the president of the Republic is unavailable]. Likewise, one cannot be opposed to the bloody 30 September coup d'etat and at the same time support the clean-sweep policy or reactivation of Article 149 [which provides for the Court of Cassation president to act as provisional president of the country pending new presidential elections within 45 to 90 days]. [passage omitted]

The MOP, which is not promoting any candidacy for the post of prime minister at this time, urges the entire diplomatic sector to unite in demanding respect for the Constitution, the commitments made at Governors Island, the end of repression, full enjoyment of public liberties, safety guarantees for all, the normalization of institutions, and the return of President Aristide on 29 March so he can complete his constitutional mandate. This is not a difficult solution to enact.

The year 2004 [marking the bicentennial of Haiti's independence] will soon be here. So let us make this 29 March the starting point for preparation of a grand celebration of the bicentennial of national independence.

MOP leader Gesner Comeau supports the counterproposal sent to UN Secretary General Butrus Butrus-Ghali by President Aristide. This new plan worked out by the head of state provides for his return to Haiti during the 10 days that follow the appointment of the new prime minister. Let us listen to Gesner Comeau.

[Begin recording, in Creole] I think that if such a plan is applied, it would be perfect and in the interest of the waiting Haitian people. [passage omitted] [end recording]

Aristide To Travel To New Hampshire, France, Geneva

FL2402175694 Port-au-Prince Radio Metropole in French 1145 GMT 24 Feb 94

[Text] President Jean-Bertrand Aristide will today be in the American state of New Hampshire. The president-in-exile is answering an invitation from Dartmouth College. The Haitian president is due to speak this Thursday before the students. The future of democracy in Haiti will be the central topic of his speech. Jean-Bertrand Aristide will then travel on Saturday 26 February to Paris in the framework of a four-day private visit. The president is due to meet with his French counterpart Francois Mitterrand. He will also talk with French Foreign Affairs Minister Alain Juppe during this trip. The president will also participate in Paris in an international colloquium on the struggle of Abbot Pierre, the founder of the charity association Emaus, organized by UNESCO. On 2 March, Jean-Bertrand Aristide is due to appear before the UN Human Rights Commission in Geneva.

Cedras Fails To Appear in Senate on 23 Feb

FL2402175594 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Feb 94

[Text] Once again General Raoul Cedras did not show up. For the second consecutive day, he did not answer a call from the second office of the Senate. Nevertheless Senator Romel Manigat remains optimistic about a positive response from the commanding general of the Army. This delay is understandable: He is preparing his case, the senator stated.

[Begin Manigat recording, in Creole] (?Despite the delay), we have no doubt that the commander will come because Gen. Cedras is a man of honor, he is a man of his word, a man who knows how to respect his commitments toward the Senate. So, we believe the case is so important that we cannot treat it thoughtlessly. If the high command deems it necessary to take some time to present a good case, it is normal that we, Senate members and wise men, understand the difficulties and we will wait for him because the steps we have taken have

not been taken for ourselves, but have been taken on behalf of the Haitian nation. The military institution really needs to provide many explanations to the Haitian community. [end recording]

The senators waited until very late for the arrival of Gen. Raoul Cedras. Sen. Thomas Eddy Dupiton was sent to the Army General Headquarters to inquire about this delay. According to Sen. Dupiton, the commander in chief of the Army was trying to contact the various commands in the nine geographic departments of the country before coming to the Senate to answer the senators' questions. However, there was tension, sharp tension at the Senate. Sen. Bernard Sansaricq even demanded a vote on a censure motion against Gen. Raoul Cedras, an idea that is not shared by some parliamentarians including Sen. Dupiton, Sen. Ebrane Cadet, and Sen. Margareth Martin.

Plan for New Government Unchanged by Cedras Absence

FL2502003594 Port-au-Prince Radio Metropole in French 1700 GMT 24 Feb 94

[Excerpts] For the second consecutive day, the senators waited in vain for the Army commander in chief who they say had promised to appear at a Senate convening. The legislators' patience was put to a severe test by the Army commander who the legislators say had given his word to attend this session.

Senator Bernard Sansaricq has condemned the general's attitude. The president of the second Senate office could not contain his reprobation and anger. He had hoped for the formation of a new government as a solution to the political crisis. Edner Jean filed a report on the day in the Senate:

[Begin recording] [Dupiton in Creole] The general did not give a date when he commented on the complexity of the case to me. I understood and did not ask him for a date. He told me only that he was considering the situation and that at the appropriate time, he would come because he understands. [end recording]

[Jean in French] This report on the meeting planned with the Army commander in chief had the effect of putting a damper on the enthusiasm of the senators of GARD, Action Group for the Recovery and Defense of National Sovereignty, who finally revealed on 23 February the contents of the well-announced surprise—formation of a new government to manage state matters.

The convening of General Cedras was most likely planned as a catalyst to begin the process of definitely excluding President Aristide. However, the absence of the general came to disturb the plan already implemented by those senators, an affront for which Bernard Sansaricq will not forgive General Cedras. It is a serious insult. The Army commander in chief must give an account to the nation, asserted Sansaricq. Senator Sansaricq is willing to go to Army Headquarters to demand the resignation of Gen. Cedras. [passage omitted]

This statement had the effect of shocking the Senate of the Republic, led for some time by just one political current, that of GARD. Most of the members of this body for the first time clearly dissociated themselves from the stance of their president. [passage omitted]

Finally, Sen. Belizaire intervened at the podium, asking for the withdrawal from the agenda of the point concerning the attendance of Gen. Cedras, which would be postponed indefinitely. This does not detract from the determination of those senators to form a new government in the country. [end recording]

Belizaire Opposes Embargo, Asks That 'Vacuum' Be Filled

FL2402224194 Port-au-Prince Signal FM Radio in French 1130 GMT 24 Feb 94

[Excerpt] Senator Dejean Belizaire says no to the embargo and condemns those who are asking for reinforcement of the sanctions against Haiti at this critical stage of the situation. Sen. Belizaire asks the officials to fill the power vacuum for a final solution to the crisis. [passage omitted]

EZLN, Government Reach Agreements on 5 Points

PA2402153094 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 24 Feb 94

[Report by Francisco Rubio in Chiapas from the "First Thing in the Morning" newscast; passages within quotation marks recorded]

[Text] Agreements have already been reached on five points, which constitute one-fourth of the neo-Zapatists' [as heard] demands.

[Zapatist Subcommander Marcos] "So far, we have received satisfactory replies to our demands on the following points: health, education, true and timely information, housing, and respect for culture, traditions, rights, and the dignity of the Indian groups in Mexico."

Other, more complex demands which were not mentioned will be submitted to advisory groups for study, and, even Marcos has admitted, there are other proposals that go beyond the possibilities of these negotiations.

[Subcommander Marcos] "Let it be understood that what the Zapatist National Liberation Army [EZLN] wants is that just like the war was decided in a democratic manner, peace must necessarily follow the same democratic procedure."

The rebel subcommander and EZLN delegates are not rushing to reach definite agreements.

[Subcommander Marcos] "You must return to your areas; you must return to your committees and explain to your companions the proposals you have received regarding the points which started our movement on 1 January 1994. The communities will then decide yes or no."

[Peace Commissioner Manuel Camacho Solis] "We are making much faster progress in discussing these problems than I expected at the beginning of these meetings."

Camacho Solis announced he will follow a similar process.

[Camacho Solis] "I will report to the president of the republic on each one of the points we have agreed on. I will also report to the mixed commission of senators and deputies, and I will seek to report to the main political forces [pauses]... to all the political forces of the country so there will be a broad consensus."

New faces were seen during the third day of negotiations in San Cristobal de las Casas. These included Monterrey Archbishop Adolfo Suarez; Oaxaca Archbishop Hector Gonzalez; and Bishops Carlos Talavera from (Cuatzacualcos), Felipe Aguirre from Tuxtla Gutierrez, and Felipe Arizmendi from Tapachula. They are all members of a special commission of the Mexican Bishops Conference, which is following the peace process. They will meet with political parties representatives and leaders of nongovernmental organizations.

(Arturo Warman), ombudsman for agrarian affairs, was also seen here. He is studying the possible juridical modifications that will result from agreements over the land problems.

Salinas Hails Progress

PA2402230494 Mexico City NOTIMEX in Spanish 2110 GMT 24 Feb 94

[Text] Mexico City, 24 Feb (NOTIMEX)—President Carlos Salinas de Gortari has voiced optimism over the rapid progress being made in the dialogue to seek a "dignified and just peace" in southeastern Chiapas State, and he has reaffirmed his commitment to furthering democracy in Mexico.

Salinas de Gortari said: "This is a dignified and just peace, and this is exactly what we have been striving for. Without a doubt, I am encouraged by the results announced yesterday and the progress being made."

Today in the Chiapas town of San Cristobal de las Casas, Manuel Camacho Solis, commissioner for peace and reconciliation, and the armed group began their fourth day of talks amid substantial progress in an effort to find a political solution to the conflict that began on 1 January.

Interviewed at the conclusion of a "Flag Day" ceremony in Mexico City, Salinas de Gortari commended the peace commissioner's work by saying, "he is working with utmost dedication, complete loyalty and commitment, and with great patriotism." Camacho Solis "is earnestly performing the task I entrusted upon him (on 10 January), and the fact that the dialogue is advancing so rapidly is certainly pleasing," the president noted.

In confirming the announcement Camacho Solis made yesterday, Salinas de Gortari indicated the peace commissioner "has been in permanent contact with me, and I have authorized him to proceed with the proposals he has made." The president said the peace commissioner has been instructed that "in terms of the Indians' social demands," he should be "generous with his responses."

Yesterday, the Zapatist National Liberation Army said it had received a "satisfactory response" to one-fourth of its demands regarding health, education, housing, communications, and respect for Indian traditions and rights.

Also during the impromptu interview, President Salinas de Gortari commented on the recent talks between the Government Secretariat and the nation's political parties concerning the 21 August federal elections.

"I am convinced we need to take additional steps in advancing the country's democratic life," the president stated, while emphasizing his commitment to promote the advancement of democracy in Mexico. He added, "As a citizen, I may have—certainly, as each one of you

have—an (electoral) preference, but as president of the Republic I am committed to an impartial and democratic election."

Earlier, during the "Flag Day" ceremony headed by Salinas de Gortari at the midtown Constitution Plaza, the Armed Forces reiterated their support for the pacification process in Chiapas—a process the president began on 10 January.

"We are not indifferent to the efforts you and your government have made and are still making to resolve the problems we face, some of which date back a long time, others of which are new," General Alvaro Vallarta Cecena stated. The commander of the 16th Military Zone continued, "These problems are complex and difficult to resolve because of the balance that must be maintained in an effort to avoid isolating people in a world that is becoming more interdependent and more demanding."

The military chief added, "The defense of the fatherland in this new world requires a flair and unity that will withstand all tests, combining in a balanced manner family with society, nationalism with internationalism."

Marcos on Talks With Parties

PA2502015494 Mexico City Radio ACIR Network in Spanish 0030 GMT 25 Feb 94

[Report by Jose Luis Armenta Avila; from the "ACIR Radio News" newscast]

[Text] [Armenta] Today's negotiations have extended, and the statements to the press by Peace Commissioner Manuel Camacho Solis and Subcommander Marcos will take place at 2000 at the San Cristobal de las Casas Cathedral, which has been renamed the Cathedral of Peace.

We have been informed the negotiations extended because the peace commissioner and Subcommander Marcos held a meeting with representatives of nongovernment organizations who have staged a security siege around the cathedral since 19 February.

We have been informed reporters will have access to the cathedral at 1930, 30 minutes before the participants give statements.

[Unidentified announcer] Is that within one hour?

[Armenta] Correct.

In the meantime, Subcommander Marcos said this morning the political parties are more interested in leading the talks than in resolving problems. Subcommander Marcos met again this Thursday with representatives of the media, particularly radio media, which did not have access to the San Cristobal de las Casas Cathedral yesterday.

The EZLN [Zapatist National Liberation Army] subcommander said the representatives of the parties with whom he met on 22 February never heard his demands and just argued among themselves, as if they were at the Chamber of Representatives. Marcos explained no agreement was signed with representatives of the PRD [Party of the Democratic Revolution], PDM [Mexican Democratic Party], Cardenist Front for National Reconstruction Party, Mexican Green Ecologist Party, and the Labor Party to incorporate the EZLN demands to the political platforms of each of these parties. He added: It seems they only came to have their pictures taken with the EZLN delegates.

[Begin Subcommander Marcos recording] Certain parties did not come due to the masks with which we are covering our faces. They think that is not hygienic. Others prefer to wait and see what will happen or perhaps fear the movement wants them here to accuse or attack them.

We expected those who came would listen to us; instead, they came and said hello. We tell them we want them to monitor the talks and not leave us alone. We told them we are ready to follow the path of peace, if it will lead to an obtainment of our demands. Then they started to talk and discuss, as if they were at the Chamber of Deputies. We then waited until they stopped talking. They were not talking to us at that point. Then, one of them said we, the party of national or international journalists, want.... [pauses] Then another party official got upset and said we.... [pauses] Then they started a debate [words indistinct].

We waited to see when they would become tired, and when we realized they would never become tired, we told them we had to go, because the beans were getting cold. [end recording]

[Armenta] The EZLN subcommander insisted on the need for the presidential candidates to commit themselves to respecting the accords that may be signed here at the San Cristobal table, so that whoever wins the elections follows up on these commitments.

I can also report the members of the Special Commission for Peace of the Mexican Bishops Conference are here in San Cristobal de las Casas. They are six bishops, led by Adolfo Suarez Rivera. Also here is Oaxaca Bishop Hector Gonzalez; Carlos Talavera of Coatzacoalcos, Veracruz; Raul Vera, dominican bishop; Francisco Aguirre, Tuxtla Gutierrez bishop; and Felipe Arizmendi of Tapachula.

We have been informed the bishops will speak to reporters tomorrow to give their viewpoints of the peace and reconciliation negotiations. Within 30 minutes, the six bishops who form the Special Commission will hold a mass here at Santo Domingo Square.

Advancement in Talks Announced

PA2502045594 Mexico City NOTIMEX in Spanish 0401 GMT 25 Feb 94

[Text] San Cristobal de las Casas, 24 Feb (NOTIMEX)—Peace Commissioner Manuel Camacho Solis and the Zapatist National Liberation Army [EZLN] announced today they have advanced 50 percent in the demands presented to attain peace in Chiapas.

Upon concluding their fourth day of meetings at the cathedral of this city, both parties reported on the development of the conversations initiated 21 February to end the armed conflict, which erupted in Chiapas last 1 January.

"Things have continued to advance, and today we have been able to reach agreements on 50 percent of the issues that have been presented to us" by the armed group, Camacho told the national and international press gathered at the "Cathedral of Peace."

"We see in this the opportunity not only to answer one question but to achieve a broad consensus regarding these accords to attain a political solution to the conflict in Chiapas and regarding the peace accord," the peace commissioner added.

"Subcommander Marcos" said among the points on which progress has been made are the electrification of Indian communities and the redistribution of public investment in the state, as well as demands on health, truthful information, and housing.

NAFTA's impact on the Indian communities also received a satisfactory response at the negotiations in the Chiapas city of San Cristobal, 1,200 km southeast of the Mexican capital.

Regarding education, the parties agreed to build schools, provide them with school supplies, train teachers, and establish mandatory and official bilingual education in the Indian communities.

The respect for Indian tradition and culture, the punishment for discrimination and prejudice against Indians, the problem of nourishment, and economic support to the victims of war have also been discussed at the negotiations.

The need to create a National Peace Commission in charge of following up to ensure compliance with the agreements and the multiplication and strengthening of nongovernmental human rights organizations are within the 50-percent advancement.

In addition, the peace commissioner and the 19 EZLN delegates agreed humanitarian aid in the areas of conflict must be channeled through "authentic" representatives of Indian communities.

Both sides concurred the agreements reached in principle will be consulted with the highest Mexican authorities and with the Indian communities in Chiapas for their final approval.

The agreements will also be presented to the public in order to gather opinions and seek a consensus around the so-called "peace with dignity," according to "Subcommander Marcos," the rebel group's military chief.

Camacho recalled this Thursday is national flag day, stressing the importance of maintaining and defending territorial integrity, and of finding a solution for the Chiapas conflict in Mexico, by Mexicans, on the basis of dialogue and mutual respect.

The conditions of neglect and poverty faced by the Indians in Chiapas is what led to the emergence of the rebel group, one of the delegates who identified himself as "Juan" said, reiterating the demands for work, housing, land, freedom of expression, and democracy.

"We Indians are also struggling for a respect of our dignity as Indians," he said.

Both sides will continue the talks on 25 February, based on the list of demands presented by the rebel group on 22 February.

EZLN Proposes Cogovernment

PA2502002294 Mexico City NOTIMEX in Spanish 2150 GMT 23 Feb 94

[Text] San Cristobal de las Casas, Mexico, 23 Feb (NOTIMEX)—As one of its main proposals for achieving reconciliation in the region, the self-styled Zapatist National Liberation Army (EZLN) today called for the establishment of a cogovernment with the Indians in southeastern Chiapas state. During a news conference with radio reporters before the start of today's talks, EZLN Subcommander Marcos explained that Indian groups had to participate in this cogovernment to find adequate solutions to their problems.

Marcos also proposed the creation of a dialogue verification commission made up of civilians. Commission members would be appointed by the EZLN and Peace Commissioner Manuel Camacho Solis. This commission would prevent solutions agreed upon at the talks from becoming empty promises and, in turn, avert the risk of another armed conflict.

On 1 January, armed groups from the EZLN seized several Chiapas communities by force, attacked a garrison, and prompted the intervention of the Mexican Army. These actions resulted in nearly 100 deaths, numerous injuries, and the displacement of about 20,000 people.

"We are aware of the difficulties in meeting our national demands, such as the reform of Article 27 of the Constitution (on land tenure)," Marcos stated, admitting that such issues "go beyond the work agenda agreed upon by both sides."

The EZLN military chief, who was interviewed in San Cristobal de las Casas, 1,200 km to the southeast of Mexico City, admitted that it is not possible to force peace in Chiapas "to get the country to do what we want." [sentence as received]

According to Marcos, the EZLN is not looking for power. Instead, it only wants peace with justice. He also added: We do not want to form a political party, so that later someone can say that we sold out. "However, we ask for the reform of the Federal Electoral Law in order that the upcoming elections (scheduled for 21 August) are observed and supported," he said.

The Zapatist spokesman welcomed the role of Manuel Camacho Solis, the commissioner for peace and reconciliation in Chiapas, who has heard the Indian requests with an open mind conducive to finding solutions. Subcommander Marcos said two things can happen in this dialogue: The negotiations can further peace, or they can break down and engender another war.

When asked whether he believed he was personally upstaging others involved in the peace process, Marcos explained, "The movement has utilized me because I am the only one who speaks Spanish. However, the proposals were ordered by the EZLN leaders. I simply have a military assignment."

Peace Commissioner Comments

PA2502141594 Mexico City XEW Television Network in Spanish 0435 GMT 25 Feb 94

[Statement by Manuel Camacho Solis, Mexican national commissioner for peace and reconciliation in Chiapas, at San Cristobal de las Casas Casthedral, San Cristobal de las Casas on 24 February—recorded]

[Text] You have been following these negotiations very closely. Things are moving appropriately. We have already agreed on 50 percent of the issues presented to us today.

In this, we not only see the opportunity to satisfactorily answer the demands but it is also an opportunity to produce a broad affinity on the agreements for a political solution to the Chiapas conflict and on the peace agreements.

Today is Mexico's Flag Day. Today's Flag Day celebration in San Cristobal de las Casas has special significance for the negotiations. The Mexican flag allows us to:

1. Maintain and defend Mexico's territorial integrity.

2. Resolve the Chiapas conflict in Mexican territory.

3. Search for dialogue instead of confrontations because we trust Mexico and in its future.

4. It is necessary we reach agreements and respect each other to build a better fatherland.

This is what I had to say today. Thank you for being here. You are very kind.

Marcos: 50 Percent of Demands Resolved

PA2502141794 Mexico City XEW Television Network in Spanish 0435 GMT 25 Feb 94

[Statement by Subcommander Marcos, of the Zapatist National Liberation Army, on talks with the Mexican Government, in San Cristobal de las Casas on 24 February; from the "24 Hours" newscast—recorded]

[Text] I speak on behalf of the Zapatist National Liberation Army [EZLN] to inform the people of Mexico, the people and the governments of the world, and the national and foreign media about the results of today's meeting with National Mediation Commissioner Bishop Samuel Ruiz Garcia and Manuel Camacho Solis, national commissioner for peace and reconciliation in Chiapas.

We have resolved 50 percent of the listed demands. We have already received a satisfactory response to the following points included on the list of demands presented by the Indian Revolutionary Clandestine Committee—General Command of the EZLN.

One of these points calls for the electrification of the Indian communities and the redistribution of federal investments in the State of Chiapas. Another point deals with the impact of the free trade agreement on the Indian communities. Another point has to do with health, truthful information—as we reported yesterday—housing, education—which involves the construction of schools, school equipment, and the availability of teachers—obligatory and official bilingual education in the Indian communities, respect for Indian traditions and culture, punishment for anyone discriminating or showing contempt for the Indians, the food problem, economic support for the victims of the war and for the widows and orphans of the conflict, the demands of the women on what should be done so that the Indians may live in peace, the multiplication and strengthening of nongovernment human rights organizations, the need to form—at the adequate moment—a national peace commission with justice and honor that will be in charge of following up on the agreements reached during these negotiations, and the channeling of humanitarian aid to the conflict zone through the authentic representatives of the Indian communities. This is the last point on which we agreed.

These are the agreements we have reached so far. I repeat: Fifty percent of the demands presented by the committee have been satisfactorily met by the commissioner.

PRI Organizes 100 Marches

PA2502023894 Mexico City Radio ACIR Network in Spanish 0000 GMT 25 Feb 94

[Report by Jesus Casasola; from the "ACIR Radio News" newscast]

[Text] During the 100 marches organized by the Party of the Democratic Revolution [PRD], the authorities have not reported any major incident, except for traffic jams that are affecting thousands of drivers. The streets most affected by these demonstrations are La Reforma, Juarez, Higaldo, Insurgentes, Puente de Alvarado, (?Tlalpan), Fray Cervando, and the entire first block [cuadro], among other major areas. The General Safety and Roads Secretariat as well as the Federal District Attorney General's Office have reported despite the large number of people participating in the demonstrations, there have been no incidents so far.

The Neighborhood Assemblies comprised the largest group seen on Thursday. The demonstrators tried to reach Los Pino's official residence but only got to (?Chivatito) Plaza. Presidential residence officials met with a delegation of this group. Despite the intense heat, demonstrators at one point marched on the sidewalks but then took to the streets, congesting traffic, mainly in the historic midtown area. Demonstrators are gathering there after concluding their marches. The situation has grown worse, because most of the people who came from Toluca, Mexico State, and had been gathering at the Guadalupe Basilica since yesterday have begun to return to their homes by buses, bicycles, or on foot. Some people are walking on the sidewalks, while others are walking on the asphalt roads; that is, on avenues and streets. The Relief and Medical Emergency Squad and the Red Cross have reported during the course of these demonstrations they cared for 37 people who succumbed to insolation or fatigue. None of them had to be hospitalized and were simply cared for on the spot. Bearing placards and shouting, the demonstrators have demanded housing and, by the same token, better wages and a better administration of justice or respect for human rights; others marched to support peace via dialogue in Chiapas. Private and public offices closed their doors to keep demonstrators out. The same thing happened in certain political offices in the Federal District Department, Chamber of Deputies, and the Mexico City Attorney General's Office. I repeat: There have been no major incidents, according to the information provided by the Federal District authorities. That is what we have so far, but we will continue to follow the situation, because several groups are moving toward Zocalo, causing serious problems and traffic chaos, primarily in Mexico City's first block. Although the General Safety and Roads Secretariat deployed 3,000 agents, I would describe the situation as chaotic. I would say it is impossible to control the traffic chaos, which, I repeat, is mainly taking place in the historic area.

Tello on Good Relations With Germany

PA2402160394 Mexico City NOTIMEX in Spanish 1504 GMT 22 Feb 94

[Text] Mexico City, 22 Feb (NOTIMEX)—Mexican Foreign Relations Secretary Manuel Tello Macias has stated that relations between Mexico and Germany are at a very high level with regard to cooperation, political dialogue, and economic exchange. Tello met with German Economy Minister Gunter Rexrodt and stated that 31 percent of all Mexican trade in the region had been carried out with Germany and, thus, it had become Mexico's leading commercial partner in Europe in 1993.

Rexrodt, who is in Mexico since last Thursday [17 February], to preside over the inauguration of "Technogerma-Mexico 1994," expressed his satisfaction with Mexico's economic reforms. He said the implementation of the free trade agreement between Mexico, the United States, and Canada stirs great expectations among German investors.

German Minister on Exports, Investments

PA2502004594 Mexico City NOTIMEX in Spanish 0307 GMT 22 Feb 94

[Excerpt] Mexico City, 21 Feb (NOTIMEX)—[passage ommited]

The German minister [German Economy Minister Gunter Rexrodt], who has been on an official visit here since last Thursday, asserted that placing limits on exports will only lead to bilateralism, which runs against multinational agreements. He explained that such a decision "would violate GATT and would conflict with the interests of the world's large exporting nations."

Rexrodt said his country's investments in Mexico will increase if Mexico signs an agreement for reciprocal promotion and protection of investments. In 1993, 31 percent of Mexico's exports to Europe went to Germany and, in turn, Germany became Mexico's foremost commercial partner in the region.

After meeting with Mexican Foreign Secretary Manuel Tello Macias, Rexrodt explained that Germany has given Mexico priority status in its relations with Latin America. An example of this, he said, is the "Technogerma Mexico 1994" industrial fair, which was inaugurated by Mexican President Carlos Salinas de Gortari on Monday.

Costa Rica

Manufacturers Reject Mexico's Latest Free Trade Offer

PA2402163094 San Jose LA NACION in Spanish 17 Feb 94 p 8a

[Article by Jose David Guevara M.]

[Text] The same way David confronted Goliath, yesterday, several of our manufacturers rejected giant Mexico's most recent proposals to small Costa Rica in an attempt to reach a consensus on a free trade agreement. That is what producers said when LA NACION asked them, by telephone, about their position regarding the Mexican Government's offer on such items as vehicle exchange, cocoa, candies and marmalades, dairy products, palm oil, and textiles.

Regarding vehicles, the northern nation asked our authorities to allow the sale of vehicles here, which they manufacture, with hefty tax reductions. This would be Ford, Volkswagen, and Chrysler vehicles, among others. Alfredo Levi, BMW manager in Costa Rica, said: "What is good for John must also be good for Peter." Therefore, he has proposed to the government to design an equitable formula so importers of vehicles from other nations are not harmed.

As far as cocoa is concerned, Mexico proposes that only merchandise produced from Mexican and Costa Rican supplies be exempt from taxes. According to Belisario Ardon, director of the Cocoa Marketing Company, this exemption should not be based on this criteria, rather, it should depend on the nation where the cacao grain undergoes a substantial transformation.

The northern negotiators also offered to open their borders to Costa Rica products, like candy and marmalades, which are manufactured solely with sugar that has the same price as in the United States. Ardon recommends our government not give into this demand as this would imply surrendering a significant differential in value. He noted: "It would be equal to surrendering our advantage."

Mexico wants dairy products to be excluded from the agreement. Nevertheless, Jose Pattoni, manager of Dos Pinos diary, stated this company is very interested in the Mexican market, specifically to sell liquid milk. He suggests—in case this chapter were included in the treaty—Costa Rica exchanges "what Mexico does not produce for what we do produce."

Regarding palm oil by-products, Mexico would allow us to export these with tariffs, which would be eliminated at the end of five years, on the condition we purchase their soy bean products with no tariffs. Rudy Venegas, industrial marketing manager of Numar Company, said it would be fair to implement an agreement without any type of tariff for both sides.

Rodrigo Arguedas, sales manager of INTEX [expansion unknown], categorically rejected Mexico's offer to purchase an initial quota of 350,000 colones of Costa Rican textiles the first year the agreement is implemented. He said: "Costa Rica is capable of exporting 150 million colones worth of textiles every year, but we could begin with an allotment of 75 million colones."

President-Elect Figueres on Taxes, Reforms

PA2402153394 San Jose Radio Reloj in Spanish 1730 GMT 21 Feb 94

[Report by Mitzi Madrigal; from the "Radio Reloj Newscast"]

[Text] Costa Rican President-Elect Jose Maria Figueres Olsen promised no new tax packages during his administration. What we need are tax reforms and a channeling of all taxes through certain groups to prevent the country from going further into debt, Figueres said. He also said that the agriculture and livestock sector would be strengthened, and negotiations with Mexico on the free trade treaty would be analyzed. If the country's producers derive no advantage from the treaty it would not be signed. Let us listen to the statements made by Engineer Jose Maria Figueres, president-elect of our country.

[Begin recording] [Figueres] It is a technical matter and it will be up to the economic team to define what specific actions will be carried out, but I can tell you we are interested in solving the fiscal deficit problem. A high fiscal deficit is not beneficial for the economy, the Costa Rican people, the productive sector, or any one else. Therefore, I think we will all be working on that task. This has to do a lot with [words indistinct] where we have to be more efficient in collecting taxes. This also deals with the expenditures; we have to be more austere, more careful in the appropriation of public resources.

[Madrigal] On the subject of sales tax, the current administration increased it 3 percent even though it was always at 10 percent. Now it is again 10 percent as was normal. Do you think your administration will adjust that tax?

[Figueres] I do not think the country needs a new tax package. I think the country certainly needs tax reforms in which we have four or five kinds of taxes instead of having more than 100 taxes. Also, those taxes should be easy to calculate, easy to collect, and they should be easily and efficiently controlled. Furthermore, those who have more should pay more, and those who have less should pay less. In that sense, we are interested in progressive taxes, rather than regressive taxes, because those who have more pay more taxes.

Definitely, due to the current administration's a lack of a clear policy to encourage the agricultural and livestock sector, we have seen a considerable decline in cattle herds. Furthermore, the numbers indicate that Costa Rica is on the verge of going from being a meat exporting

country to a meat importing country, but we will be working very closely with the country's cattle sector. The policies we will define to reactivate the cattle sector will be worked out with this country's cattlemen; and there will be policies to give priority to credit, productivity, and efficiency in the handling of cattle herds so this tendency may be reversed.

[Madrigal] Regarding the free trade treaty with Mexico, Costa Rica carried out a negotiation but it closed the chapter on agricultural issues without really negotiating anything because no basic product was included. What would your position be if you were to take office and the treaty were still unsigned? Would you continue to give priority to the agricultural segment? Would you not sign that treaty with Mexico?

[Figueres] Well, we have said that we are interested in continuing negotiations on the treaty with Mexico. We are interested because it would open new markets for our export products. However, we have also made it clear that those treaties must be negotiated, on the Costa Rican side, by a team that is made up of government people and people from the productive sector. If the production sector is not satisfied, does not agree with, or does not feel comfortable with the agreement, then it will not be useful to us. In that sense, if nothing has been signed with Mexico when we take office, we would continue to work hand in hand with the nation's producers, in the industrial as well as the agricultural fields, to see what kind of treaty we sign with Mexico. [end recording]

The tour Jose Maria Figueres Olsen was scheduled to begin in a few days has been rescheduled, because issues such as the creation of the commission that will organize the transfer of power, as well as the creation of the Figueres administration cabinet that will be sworn in on 8 May, shall be analyzed this week.

El Salvador

Santa Ana Prison Take Over Continues Without Solution

PA2402195594 San Salvador Radio Cadena YSU in Spanish 1800 GMT 24 Feb 94

[Report by Alejandro Arturo Flores in Santa Ana; from the "YSU Radio News" newscast]

[Excerpt] The takeover of the western penal facility by numerous inmates is into its fourth hour without any sign of a solution. So far two people are reported dead and two injured. We shall now hear from Gabriel Abraham Paniagua, president of the political committee of Armed Forces prisoners, who was wounded in his left arm.

[Begin recording] [Paniagua] Our people began to arm themselves with pieces of sharp steel.

[Flores] What do the inmates want?

[Panigua] The problem is that the people up front saw the soldiers fighting so the rest joined in. The other inmates joined in, although they normally do not bother anyone, but they were wounded so they joined in the fight against those from Gotera. They want to kill them because the problem is that if these people are left alive and we are transferred, then they will kill us in the other jail. Do you understand? That is why the inmates do not want to leave these types alive.

Regrettably, the National Guard troops only have to knock the doors down. We are a disciplined group who obey prison regulations. You understand? When I get back, if things have calmed down, just as we promised, those who have armed themselves will turn over their pocket knives at the front door. As you can see, we do not bother anyone. We live for our work and our families. We would have preferred some warning because... [pauses] [words indistinct] thefts and stabbings have increased these past few days. Recently, seven inmates were wounded. [end recording] [passage omitted]

Solidarity Movement Candidate on Economic Plan

PA2502043094 San Salvador LA PRENSA GRAFICA in Spanish 22 Feb 94 p 8

[Interview with Salvadoran Edgardo Rodriguez, National Solidarity Movement, MNS, presidential candidate, by unidentified PRENSA GRAFICA reporter; place and date not given]

[Text] [Reporter] Do you consider your economic program substantially different than the one the government has implemented? What are your main points?

[Rodriguez] MNS' government platform contains general and specific objectives. Five of our general objectives are the following: the elimination of poverty as an essential factor; simultaneous sustained development and social development; the broadening of the business sector; the modernization of the state; and a change of the nation's economy toward a solidarity economy.

A solidarity economy is one that seeks a better distribution of the nation's economic surplus. Arena's [Nationalist Republican Alliance] "Achilles heel" is the thesis of monetarism it has implemented. The ripple effect theory has not been produced simultaneously with economic growth. A social economy market is not the most adequate label for the current model.

[Reporter] According to your proposal, what is missing in the current model?

[Rodriguez] There is a lack of openness in the market, and the tendency is not toward fair competition.

There are monopolies and oligopolies that influence important products in El Salvador. We could mention, for example, fertilizers, which have a bearing on all the basic grains. There are companies that have imported

shiploads of fertilizers. The decisions of such a powerful group of speculators has an influence on prices.

We will not discuss progress, rather, extreme liberalism, which has put the businessmen who for many years supported the economy in a difficult situation. A market economy encourages equal conditions and openness. The state should regulate and orientate.

[Reporter] What does it mean the state should be the economic regulator without intervening in the market?

[Rodriguez] For example, by not exporting beans. What happened last year? Since Antonio Cabrales, agriculture and livestock minister, talked about a record harvest of cereals, speculators have decided to export beans to Nicaragua and Honduras, leaving our people hungry.

We do not think the state should intervene in certain matters but should in the food supply and strategic industries.

[Reporter] Would you, for example, fix prices for strategic products?

[Rodriguez] No. I would not, but I would prohibit the export of basic grains until the local market is guaranteed, and I would promote their production.

I would support the small producers with credits, low interest rates so they can produce more. In that case, the law of the market would work, because there would be a surplus.

[Reporter] What is the difference between what you are proposing for the state and what the PDC [Christian Democratic party] has, for example?

[Rodriguez] We would have the control and organization to enforce regulation, but we would not take over the role of the private sector. The PDC has intervened in the economy and substituted the private sector. This was an error, as it generated corruption. Neither did we believe in liberalism as applied by the government, where anything goes.

We believe the market economy strategy should be preserved, but social responsibility should be included. This is solidarism's proposal based on its two pillars, active participation and social responsibility in the nation's problems.

[Reporter] What measure would you apply, if these have a name, to make social development effective?

[Rodriguez] We are not going to entitle these measures, rather, criteria. In the government's strategy the ripple effect thesis is upheld. Its theory is to have investment there must be savings—it is axiomatic—and to have savings there must be a concentration of wealth. What have they done? They have promoted the large companies so they can concentrate wealth, save, and from there generate investments.

The truth is investment generated from the concentration of wealth in a few sectors does not translate into broad benefits.

We want to broaden the base of the private sector. We are talking about the poor in the marketplace, the shoemaker, the small businessmen who do not have access to credit. We want to promote them to strengthen the local market and to integrate them into an export economy similar to the Taiwanese model, where the family business has been essential in the export process.

[Reporter] What do these views mean specifically? Tax reforms? A change in the interest rate? Subsidies with international aid?

[Rodriguez] The assistant World Bank director visited us two months ago and informed us the IMF and the World Bank and other international organizations have given priority to supporting programs to eradicate poverty in developing countries.

These institutions pressured the countries of Latin America during the 1980's to make structural changes so they could improve their economies, and they then realized this caused an enormous level of poverty. The UN Development Program points to the imbalance: Twenty percent of the world's population earns 82 percent of the world's income, and conversely 80 percent of the population earns 18 percent of the world's income. This tells us of the errors that even institutions such as the World Bank and the IMF have made in their policies. We hope to raise the national tax rate from 9 to 11 percent. We believe the value-added tax must be reformed. Everything that hurts the basic family basket and medicines must be eliminated. There should be a tax on luxury items, namely, jewelry, expensive clothes, and a stiffer tax on nonessential items, such as luxury cars. We plan to revise the tax law chiefly on income and family goods to make the wealthier pay more.

We also have international loans that have been negotiated lately. We know those resources will be effective. It is a matter of time. An important element we are considering is austerity in public administration. We plan to lower the fiscal deficit with austerity. There is no reason for the government to promote costly publicity campaigns such as the current one.

We will lower the Armed Forces budget. Why spend on television programs? Every night, they pay for a program on all channels. That money could be eliminated from the budget to lower the deficit. We are going to dispense with armored vehicles for public officials and lower traveling expenses.

We are even going to review the president's confidential expenditures. There is no reason for them to be confidential, but we must lower them to begin with. A Treasury Ministry union has told us some months ago the president withdrew 22 million colones in one day. For what?

We have a major resource abroad sending us large amounts of foreign exchange. We do not think those resources should be oriented toward the purchase of houses, as that is consumption. We must create an entity that steers those resources toward productive investments. In addition, we are proposing a reform in the foreign service. The southeastern Asian countries will encounter problems entering the United States. With an investment program brought before companies from Taiwan, Singapore, etc., we could become the entry point into the United States, making use of the advantages we still have under the General Preference System, the Caribbean Basin Initiative, and what remained of the Initiative for the Americas.

There is also the possibility of strengthening the integration of the isthmus, given figures indicate El Salvador's level of commerce with the region has registered a big increase.

[Reporter] The National Solidarity Movement did not complete the registration of candidates in all municipalities; yet you said the party's position is good. On what do you base your optimism?

[Rodriguez] We believe we are fighting for a second or third position nationwide. We were planning to run in 120 municipalities but have entered 80 races for a lack of resources. We are running excellent candidates, however. We believe we can win in 40 percent of those 80 municipalities. If we are in fourth place, according to the polls, we will win a minimum of 12 deputies. At the presidential level we are making a major effort to maintain a higher profile. We think we are winning great support. In addition, everywhere we go we have found the support of the people from the churches, the Catholic and Evangelical Churches. We have candidates who belong to the Elim Church, Mormons, winners who will win in major centers. We have put forth the best we could without compromising the party. We trust in the people's sensible nature.

Guatemala

De Leon Discusses Government Advances

PA2402170394 Guatemala City PRENSA LIBRE in Spanish 20 Feb 94 pp 2, 3

[Report on telephone interview with Guatemalan President Ramiro de Leon Carpio by Karl Yvan Arevalo; place and date not given; no quotation marks as published]

[Text] Regarding the possibility of a coup d'etat, President de Leon Carpio notes that historically it could not be farther from coming true. There are internal and external factors that would not allow this to happen, and the Army officers themselves are aware that this should not happen.

De Leon added that the activities in which some citizens might have engaged near the Government House before his announcement of the recent changes in the National Defense General Staff are routine and Guatemalans can be certain that there is absolute peace in this sense. Some day we will be able to dissipate from the minds of our fellow countrymen the idea of the traditional coup d'etat because the officers are aware of the democratic role they must play. The commander general of the Army has all the support of the High Command.

Referring to the three changes that have occurred in the military leadership during his government, De Leon Carpio explained that those are institutional and not personal decisions of the president. De Leon Carpio added that these changes are in line with adjustments by a government that assumed power in a situation unprecedented in history because no president has accepted the challenge he faced—to become president amid an institutional crisis, the legacy of former President Jorge Serrano.

I accepted the command of a vessel about to sink amid turbulence. Now, however, I am satisfied that I have guided the vessel to more peaceful waters because I strengthened the institutions. The political difficulty has been overcome since the purge achieved by a referendum that made history. Entirely secure in the institutional since, we currently have political stability.

The first change was the removal of General Jose Domingo Garcia Samayoa, who was the defense minister. This change had to take place given the fact that we were trying to strengthen the democratic system and the same chain of command that had been in place up until 25 May could not be maintained.

The second change, which occurred 21 days later, was the removal of General Roberto Perussina, who had replaced Garcia in the said post. This decision was also based on the same logic. The third and most outstanding change took place on 18 February and involved General Jose Luis Quilo Ayuso, who was replaced in the post of chief of the National Defense General Staff by General Marco Antonio Gonzalez Taracena. This change confirms the strengthening of the institutions.

De Leon explained the situation once the institutional crisis was solved: I can say that I have settled and not merely sat in the presidency, and that I am willing to face the social and economic problems. In order to solve the main problems, we will have to implement a government agenda that considers the investment of 28 percent of the budget to fight poverty. In addition, we are facing a serious financial problem, and this is why we need to obtain resources through taxes.

Regarding the current social crisis, I must clarify that this is a problem that I inherited, which does not mean that I will ignore it. In the beginning I concentrated on consolidating democracy and prepared, on a temporary basis, a 180-day program with a few resources to tackle some social problems. Now we must develop the government plan, which should not be subject to the interests of any specific sector. Although our policies might agree

with the interests of some groups on certain aspects, they are definite, and our goals regarding the exchange, credit, labor, monetary, and other fields are clearly established. I have not bowed to political, military, or economic interests.

In order to promote this work, I am inviting Guatemalans to help me create a national project with the participation of all sectors of this society.

Regarding the controversy triggered by an apparent change in course, which came when he moved from human rights ombudsman to his current position as president, the president affirmed that his point of view regarding the Civilian Self-Defense Patrols [PAC] had not changed in the least.

I have recordings in which I clearly present my position on the PAC's. I have kept the same point of view since I wrote the constitutional provisions on the issue as a member of the Group of 30 at the National Constituent Assembly. I upheld my position as human rights ombudsman and I now have the opportunity to continue defending it as president.

My attitude remains the same. I believe the PAC's are groups of civilians being used militarily. They are a necessary evil because we are at war, a war whose main objective is to diminish the insurgent movements' power.

I believe that the confusion began when a PAC member gave me a rifle when I visited a hamlet where there were hundreds of other patrolmen. The photograph of that instance circled the world and was misinterpreted. They did not report what followed. The peasant gave me the weapon and told me that it represented the surrender of all PAC weapons to their commander in chief once peace is signed in Guatemala.

I must clearly state that there are some PAC leaders who are guilty of abuse. These men must be punished in accordance with the law. The case of journalist Jorge Carpio could be an example, if it can be proven that the attack during which three people died was carried out by one of these groups.

The president also stated that hundreds of peasants all over the country and particularly in the east have voluntarily left the patrols. Many have gone on to organize peace and development committees. I have also ordered the gradual dissolution of the PAC's in areas where they are now unnecessary.

I continue to uphold my values and principles. I believe there are patrol leaders who should be punished. Even so, I maintain what I said repeatedly when I was ombudsman: These groups must not be disbanded as long as we have an armed conflict. Those who want them disbanded are acting on personal interest or out of ignorance.

A Government in Search of Peace

Almost at the close of our interview, de Leon Carpio said that his main goal is to give his successor a nation in peace, even though he received it in war. Although he does not believe he can change the nation's structure, he said he wants to create irreversible conditions that will promote such changes.

The truth of the matter is that Guatemalans are aware of the honesty in which we are handling the matters of state. There are no more obscure or secret transactions taking place, and, although there is still corruption in the Executive Branch, we are fighting to eliminate it, which in itself sets a precedent in Latin America.

The one most important thing about my administration is that I am going to leave the country with a taste for participation, which is growing through honesty. I want to be remembered as the honest president who knew how to administrate the country properly.

De Leon Carpio also addressed the course that privatization of state enterprises could take. On this he explained that it has been proven that the state is an inefficient administrator. It will be necessary to force it to compete. If our Constitution states that there must be no monopolies, we must find a way to eliminate them in a manner in which the end beneficiaries are the customers who use the services. I am ready to make whatever decisions are needed, even if that implies some sort of political cost. I am ready to privatize as soon as the time is right. Other presidents have been afraid to face this problem because it will be costly at the polls later on. I have no party. Therefore, it is easier for me to make these decisions.

The workers must leave their fears about this policy behind. They have an example in FEGUA [Guatemalan Railroad Company]. This enterprise already went through the process. The ones who got the most out of it were the workers. Not only do they get their wages, but they are now working for a disciplined and visionary corporation with highly promising plans for the future.

Privatization should not be misunderstood, because its goal is to improve the services and goods for the customers. Through this process, then, public schools and hospitals will be better managed. It is the people themselves who are the best ones to carry this out because they can organize family committees or trusteeships to get the best results. In so doing we will be implementing social supervision.

Fenasep Issues Communique on Conflict

PA2402224294 Guatemala City Teleonce Television in Spanish 1900 GMT 24 Feb 94

[Communique issued by the National Federation of Public Employees Unions, Fenasep, on the conflict between state workers and the government in Guatemala

City on 23 February, read by unidentified Fenasep spokesman; from the "Telepress" newscast; broadcast in progress—recorded]

[Text] ...in keeping with its principles, values, and vocation of dialogue, as well as the use of reason and intelligence, and with the solidarity of independent unions represented by the Union of the Finance Ministry Employees, has investigated the real possibilities of achieving a decent wage increase, without affecting the rights and needs of private sector workers and the public in general.

2. With the investigation and drafted proposal, Fenasep and Sintrasip [expansion unknown] have initiated an honest, direct, open dialogue, a dialogue without giving up their principles with the government's economic cabinet. The results of this dialogue were reported to the unions' rank and file during special general assemblies.

3. Fenasep and Sintrasip announce to the country the government, via the economic cabinet, has not accepted salary adjustments, arguing it does not have the resources to do so. It has proposed to the Negotiating Commission an annual bonus of 360 quetzals, a proposal Fenasep and Sintrasip never accepted.

Consequently, by virtue of the moral authority vested upon the before mentioned unions, they reject the lies and false statements of those who have said these organizations are progovernment and have accepted the bonus.

4. The Fenasep rank and file, in a special general assembly, agreed to continue the talks to accomplish the following:

4.1. A salary adjustment in accordance with the high cost of living that will benefit not only state workers but also private sector workers. We also call for the implementation of other compensations to social sectors.

4.2. The government must demonstrate its political willingness and take corrective measures to guarantee a price reduction to the basic market basket items and must not permit increases to these products. The Economy, Finance, Energy and Mines, particularly, Ministries must stop protecting the interests of the large purse potentates; instead, they must impose price controls that guarantee the rights and interests of the poor majorities.

4.3. Fenasep and Sintrasip demand the Fiscal Offense Law be promulgated to punish those who evade taxes. Such a law must contemplate prison terms; that is, offenders must pay by spending time in prison, not with their dirty money, for the offense of tax evasion and nonpayment.

4.4. Fenasep and Sintrasip make a profound, serious, and responsible call to reflection and moderation to labor leaders. We must not play the game of those who want to blackmail us by privatizing state-owned companies. In addition, we demand the government rule out its plans to reduce the state via structural adjustment measures with the sale of assets and privatization of the basic services of Guatemalans.

4.5. Fenasep and Sintrasip affirm we must not give excuses to the sectors that are seeking to decree a state of emergency, which would be a return to the dictatorial-type measures of the past. We must avoid the working class again paying with its blood the price of recklessness, intolerance, and passion.

For a decent and fair salary for all and for the defense of national interests,

[Signed] Fenasep and Sintrasip

Demonstration in Western Area

PA2402220494 Guatemala City Teleonce Television in Spanish 1900 GMT 24 Feb 94

[From the "Telepress" newscast]

[Text] This morning, some 4,000 public employees, members of the organization that groups state workers together, took part in a demonstration in western Guatemala.

Public employees from Huehuetenango, Quezaltenango, Totonicapan, San Marcos, and Solola also took part in the demonstration, which concluded with a meeting at a place called Cuatro Caminos. In this way, these state employees joined demonstrations staged in the capital yesterday to protest the government's refusal to grant a 40 percent salary increase.

According to local reports, traffic was interrupted on the Inter-American Highway for about two hours. The National Police dispatched officers to the site of the demonstration to guarantee public order along the highway.

Nicaragua

Government-Recontra Peace Talks Get Under Way

PA2502000994 Managua Radio Corporacion in Spanish 2300 GMT 24 Feb 94

[From the "Five O'Clock Sharp" newscast]

[Text] The Nicaraguan Government and the leaders of the recontras today began their first direct meeting to discuss the disarmament of the rebels and peace in the country's north, where there has been violence the past few years. Sources within the Government Ministry, the Army, the OAS, and the Catholic Church confirmed the start of the talks in village of Caulatu near the Honduran border. The OAS and the church are acting as mediators.

The delegation of recontras from the so-called 3-80 Northern Front is led by its leader, Jose Angel Talavera, alias El Chacal. The government is represented by Government Minister Alfredo Mendieta and Colonel Javier

Carrion, the Army's deputy chief of staff. The mediation commission comprises members of the OAS and the Catholic Church who will verify fulfillment of any agreements reached within the next few days concerning the demobilization and disarmament of the recontras.

Agreement Reached

PA2502125094 Managua Canal Cuatro Television 0440 GMT 25 Feb 94

[Text] It was reported a short while ago from Caulatu, Quilali, that an agreement has been reached between the government and the rebels. As a result of this agreement, Esteban, the brother of Jose Angel Talavera, a.k.a. El Chacal, head of the 3-80 Northern Front, demobilized. Another important result of this agreement is that 100 recontras will surrender on 2 March, and the last man will surrender his arms no later than 8 April.

The government has agreed to create a provisional demilitarized zone in Caulatu and El Zungano, Esteli, and provide food, clothing, and medicines to the rebels while they wait for the demobilization's deadline.

Details of Agreement

PA2502130694 Managua Radio Nicaragua Network in Spanish 1200 GMT 25 Feb 94

[From the "This Morning" newscast]

[Text] After reaching important agreements with the Government of Nicaragua, the 3-80 Northern Front led by Jose Angel Talavera, alias El Chacal, on Thursday signed a document to demobilize its troops.

The agreements reached between the rebels and the government, through the mediation of the Catholic Church and the CIAV [International Commission of Support and Verification]-OAS, establish the following main points: progressive disarmament of the 3-80 troops between 2 March and 8 April, demilitarization of the area, and former recontras joining the command posts of police headquarters in the municipalities of Jinotega and Nueva Segovia.

Likewise, the document signed between the government and the rearmed rebels establishes various social and economic development programs in the area. The agreements were signed after nearly 6 hours of intense negotiations and several foiled attempts in recent days.

Sandinist Youth Movement 'Unexpectedly' Dismisses Leaders

PA2402155394 Managua BARRICADA in Spanish 21 Feb 94 pp 1, 4

[Report by Noel Irias]

[Text] Larry Astorga, general coordinator of the JS [Sandinist Youth Movement] and Deputy Coordinator Violeta Delgado were unexpectedly fired Saturday during a JS National Council session by a margin of one vote.

Roger Grijalva, a JS leader from Masaya, said the decision was made because "there was an absolute void in the organization's national leadership; we were isolated."

Nevertheless, doubts immediately emerged concerning the political and legitimate validity of the decision. According to JS sources who were at the session, the questions that have been raised mainly involve the absence of two departmental delegations at the session, the close margin by which the dismissals were approved and the likelihood—which has not yet been proven—that votes were cast by activists who are not members of the organization.

Bayardo Arce, a member of the FSLN [Sandinist National Liberation Front] National Directorate, was quite surprised by the National Council's decision. Arce said he suggested that the plenum stop focusing on internal matters and discuss youth problems such as "the reversal of the revolution's achievements at high schools, growing drug addiction, and the Atlantic coast elections. I am going to inform the National Directorate so that through our Secretariat an investigation can be carried out to determine if the decision was legitimate and in accordance with FSLN and JS laws and regulations," Arce said. According to Arce, "the National Council should, at any rate, have held an extraordinary National Assembly to reach a decision."

The vote was sheltered by an article in the JS charter which gives the National Council the power to fire any leader. Of 86 members who were present, 45 voted in favor of the dismissals. Grijalva, however, said the vote was 59 in favor and 23 against the dismissals.

Sandinist Assembly member Rafael Henriquez, who was invited to the session, questioned the propriety and validity of the mechanism used by the National Council. "I do not know for sure if the article calls for a qualified vote or if the Council has the power to fire leaders appointed by the National Assembly."

According to Maria Ramirez, a member of the Sandinist Assembly who was invited to the JS National Council session, "the problem is political. At any rate a decision like this should have been made by the National Assembly that elected them. The difference of two votes indicates a lack of consensus in the decision. Problems are not resolved this way."

According to Henriquez, "none of the arguments I heard constituted grounds for dismissal. The problems of the JS and its leadership are obvious and anyone who attempts to resolve them will encounter the same difficulties." Henriquez, a former leader of the JS and UNEN [National Union of Nicaraguan Students], said "there was an undeniable problem with the leadership of Astorga and Delgado, but it would be way too much to blame them for the organization's problems."

According to JS sources consulted by BARRICADA, the delegations from Rivas and Esteli did not attend the session and two other departmental delegations withdrew following the vote. "The delegations from Chontales and Chinandega did not protest or explicitly express opposition during their withdrawal, but their action was clearly a form of protest," the source said.

Grijalva argued that the delegations left for reasons of time.

One person who attended the meeting said "this had been brewing for months; it was a maneuver involving trends. The real problem is that Astorga and Delgado had not sided with any trend; they had their own perspective."

An FSLN source explained to BARRICADA that the crisis began in 1993 when the JS leadership in Managua, headed by Vladimr Soto, raised serious questions about the leadership of Astorga and Delgado and attempted to break away. "The National Directorate had to intervene and there was nothing the people in Managua could do but go back together."

According to our sources, JS leaders from Managua, Masaya, and Matagalpa led the vote in favor of the dismissals.

While preparations are made for the election of the organization's top leaders, the JS National Council has temporarily appointed a coordinating commission headed by Enrique Pilarte and formed by departmental secretaries Francisco Guzman and Roger Grijalva, with Gustavo Alegria as an adviser.

Astorga defeated Alegria in the JS directorate elections in 1992.

Chamorro Receives Russian Deputy Foreign Minister

PA2402224394 Managua Radio Nicaragua Network in Spanish 1200 GMT 24 Feb 94

[From the "This Morning" newscast]

[Text] President Violeta Chamorro yesterday met with Russian Deputy Foreign Minister Georgiy Mamedov. After the meeting, the Russian official said his country is willing to help Nicaragua achieve economic development. Mr. Mamedov told journalists that his government is pleased with the efforts Nicaraguans are making to overcome their political differences.

Revolutionary Nature of FSLN To Continue

94CA0066C Managua BARRICADA in Spanish 25 Jan 94 p 7

[Article by Monica Baltodano]

[Text] The FSLN [Sandinist National Liberation Front] must undergo transformations that will enable it to adapt its structure and workings to the new conditions under which it is called upon to operate. One move in this direction is represented by the bylaws that were approved at the 1991 Congress (which are radically different from the ones under which we operated throughout the 1980's) and the adjustments that we must make without delay for this special session.

Yet the key question is not what structure we will create for ourselves but rather: Should the FSLN continue to be a revolutionary party or should we organize ourselves in keeping with the commonplace objectives and styles of power-hungry parties? We will find the answer mainly in the "Principles and Program of the FSLN," which will also be revised by the time of the May Congress, and the changes in the bylaws will be consistent with them.

If the FSLN reaffirms that it is a party whose focus is the Nation as a whole but that wages its battle mainly to further the interests of the have-nots, a party that seeks power to continue making changes that will democratize society not only politically but in an economic and social sense as well, then the bylaws must be consistent with this tenet.

The bylaws of domestic and foreign rightist parties are very similar. They are vote- and power-hungry parties that are designed to reach their operating peak during election campaigns, when the main goal is to parcel out seats and posts. As far as these parties are concerned, politics boils down to taking office, enjoying power, and promoting a few policies of social justice.

Revolutionary parties, in contrast, are designed to function at all times, because they must support the struggles and grievances of the people at all times. They have very clear missions between elections, whether they are in power or the opposition. In keeping with their principles, revolutionary parties base their strength on developing the awareness of the people, on which they must work all the time. They forge broad political alliances but do not thereby corrupt the struggles and objectives of the party in light of its allies.

If most Sandinists want the FSLN to remain a revolutionary party and, in particular, a true government option, it will have to adopt structures and workings that are consistent with its devotion to democracy and revolution.

Intensifying Democratization

Consequently, I feel that we must steadfastly intensify the democratization begun in 1990. The name that the FSLN's executive leadership body ought to adopt is not a matter of principle (until now it has been called the National Directorate), although many comrades in the rank and file contend that there ought to be a radical change in personnel, while others feel that the historic name ought to be preserved. Nonetheless, regardless of the name, it is imperative that the leadership, like the Sandinist Assembly, be elected directly by the Congress.

The subordination of the executive body to the Sandinist Assembly is not merely an issue related to the bylaws. This structuralist approach is too simplistic. What we have here is a political problem that requires political answers.

I feel that we need an effective and, therefore, not very large executive leadership body that can coordinate efforts through the regional network and that has close ties to the social organizations.

I would like to see the creation of a body that coordinates departmental chiefs but that has well-defined functions and decisionmaking power on a number of issues affecting party life.

One of the most important and decisive issues is the rank and file bodies. I think that we must try to bring as many Sandinists as possible into the new organizations and to broaden, without factionalism, the political involvement of a wide range of sectors in all spheres of activity that Sandinism can create and support. We must recognize, however, that there are different levels of commitment in the FSLN, and therefore categories must be maintained, with the different demands clearly spelled out.

The suggestion about organizing the FSLN in an altogether liberal manner is typical of the vote-getting approach. If we want a party that brings together people who are ready to push a revolutionary agenda, then it must have discipline and teamwork. A revolutionary party cannot be organized as if it were a club without membership requirements, because even religious or humanitarian organizations have demands, discipline, and hierarchical categories, not to mention the capitalist business system, part of whose success is based on its organizational and hierarchical capacity. In a word, the oppressive system that we are combating is organized and cannot be defeated with a liberal approach.

Under these new conditions, leaders (the Sandinist Assembly, the executive leadership body, regional posts) must be elected individually, directly, and secretly from among candidates who offer political proposals, not just personal appeal. A code of ethics to govern procedures must be established.

A quota for women has been a long-standing grievance of the women's movement, and the party should establish one without delay. This will insure that women, of whom we see fewer and fewer in leadership posts and as public candidates, have a minimum of representation at all levels.

FSLN Assembly Member Calls for Party Unity

94CA0066A Managua BARRICADA in Spanish 27 Jan 94 p 7

[Commentary by Sandinist Assembly Member Omar Cabezas: "My Position in the FSLN"]

[Text] I have never written in Sandinist newspapers or appeared on radio programs because for personal reasons I felt that after 25 February 1990 the controversy within our party and, in particular, the public controversy were being handled poorly. The debate in our organization was characterized by epithets, mutual disparagement, and too many subjective attacks.

I have also declined invitations to the legitimate gatherings of various groups and refused to sign their equally legitimate documents.

I have decided today to break my self-imposed public silence. I am doing so for a sound reason: so that all Sandinists, the people of Nicaragua, and perhaps those who know me outside the country can become familiar with my position. While not wishing to be immodest, I harbor the secret hope that my position is shared by most rank-and-file Sandinists, whether organized in party bodies or not, by countless mid-level officials, whether long-time or not, and even by our brothers who have quite rightly already taken a definite stand on the internal problems of the FSLN [Sandinist National Liberation Front], which are reflected publicly in the disagreements between Daniel and Sergio.

I am not frightened by the democracy that has been developing in the FSLN because we all wanted it and were involved in it. I am not frightened by the lawful and legitimate meetings of various groups of Sandinists, whether they receive press coverage or not. I am not frightened by the disagreements within our party. They enrich us. They are a fact. We must acknowledge it.

A Poorly Handled Controversy

I am concerned, however, about how this dispute is being handled. I think that the poor handling of this controversy in a young and poorly administered (understood) internal democracy could lead to a split in the FSLN.

Those who would like to eliminate us, even physically, and our political adversaries are fomenting division in our ranks. They go back and forth with gossip between Sandinists, telling one and all. Some of our brothers and, at times, some of our media echo this gossip, thus adding fuel to the fire, which our adversaries stoke.

Some brothers who have quite justifiably made a clear-cut commitment to one or another position do not always do the best job of conveying what is discussed at these meetings, whether they are official, unofficial, or even among Sandinist congressmen, to the National Directorate, to the rank and file, and to the mass media.

At this point in the discussion I have the impression that a few brothers who are coming together with legitimate excitement and enthusiasm around the various schools of thought concerning the "Program, Principles, and Bylaws" that the FSLN ought to have in the immediate future (which are the outcome of a dynamic discussion that has not always been sound and is at times far from

ethical) have wound up describing the position of others with stereotypes and even in black-and-white terms.

I think that there are brothers in the two factions who are already almost seeing things in black and white and losing their objectivity. I am concerned that emotion and passion seem at times to outweigh calm analysis and caution.

When a public political debate lapses into denunciations, generally by those who disagree, and into the stigmatizing of the other, it not only causes confusion in the various bodies of organized or unorganized Sandinism but also helps to divide our organization in the most naive way (I choose not to think that the intentions are evil).

Struggling for Unity

I have friends and brothers on both sides and I have been listening to them all carefully and respectfully. There is some truth to what they both say. I feel, think, see, sense, hear, and observe that there is some truth to both positions. My position right now, acknowledging that each side possesses some of the truth, is that we should discuss what is best in each in a more mature, ethical manner and that at the May Congress we should extract the truth of Sandinism, which is part of the country's truth, from all of these bits of truth and, in an exemplary fashion for Nicaragua and the world that will be watching us, put together a single program and set of bylaws. At that same Congress we should then select the best men and women to guide the crystallization of our integrated truth so that later, in 1995, we can begin to seek out, either by ourselves or with other parties if appropriate, the brothers and sisters who are best suited to be our candidates in the 1995 elections.

In conclusion, I would like to point out a few things:

1. I think that along with discussing our internal problems we ought to see to it that the government, the IMF, and the World Bank do not condemn us to a return to the Stone Age with their cruel economic policies that are causing so much suffering and destabilization and that are introducing elements of anarchy into Nicaraguan society.

2. Today I am also sending a private letter to the National Directorate, expressing these same concerns.

3. Besides wanting to do something for Leon, Nicaragua, and the FSLN, I am, like any professional, trying to advance in my career as an attorney so that I can provide for my family's future, inasmuch as I will not seek reelection as a deputy or to run for mayor, nor do I seek any leadership post in our organization.

Although some comrades do not realize this clearly, I am simply trying to do what we did in 1976 or 1977, when on Kilambe Hill, 1,750 meters above sea level, cold and hungry, Camilo Ortega and I struggled from the two factions to which we belonged to unite the FSLN and defeat the dictatorship. Camilo and I made our little contribution to that heroic feat.

My father and three brothers who died in the struggle against the dictatorship, the thousands of Nicaraguans who fell before and after we took power, our accomplishments (some important ones still survive), and the accomplishments to come demand of me and demand of us all that we fight for party unity. If this letter succeeds in making a little contribution in this direction, I think that it will have achieved its goal.

Directorate Structure Blocks Democracy

94CA0066B Managua EL NUEVO DIARIO in Spanish 28 Jan 94 p 4

[Commentary by FSLN Militant Carlos J. Vegacruz]

[Text] I would like to contribute to the debate inside the FSLN [Sandinist National Liberation Front]. I will put forth several ideas in this connection.

The FSLN is not the personal property of any leader. The FSLN is not the private property of any member of the National Directorate or of any Sandinist activist. Therefore, no one can claim to own the FSLN. In reality, however, we can see and show that Daniel, our national coordinator, appears to be the lord and master of the FSLN, or is made to so appear. I do not deny Daniel's major historic merits, but they do not mean that he is the most able or the only leader of the Sandinist Party.

The times in which we live demand that we be consistent with the Dialectic. If we remain bogged down in internal political changes, the social dynamic will wipe us off the political map. The FSLN must continue to move forward with its democratization in order to be able to democratize society. This means that our main leaders, at every level of the party, must be agents of change, leaders who are in tune with the democratic winds that are blowing through the ranks of the FSLN and all over the world.

We must promote change in the styles and methods of the Directorate, in the leadership, in our organizational structure. Therefore, we must be flexible yet firm, self-critical, and humble. We must struggle in a public-spirited manner together with our people for peace and for life. We must seek ways of erasing our party's militaristic image from the minds of the people. Our leaders must be peace-loving, intelligent people of progress who possess true social sensitivity and are not demagogues. Our leaders must be and have the reputation of being honest and must be respected by Sandinists and non-Sandinists alike, because when we return to power in the next elections, we are going to govern for the progress of the entire nation.

The essence of the FSLN is its democratic spirit. We want to democratize Nicaraguan society. We tried to do so during the revolutionary government through agrarian reform, education, and the single health-care system, but we did not progress to the internal running of

the FSLN. The methods of the historic National Directorate did not permit this, perhaps owing to the influence of its underground past, and they justified these methods by citing outside aggression. Today, however, the democratic spirit of Sandino must once again take hold of the minds and deeds of Sandinists. We must not allow creativity, freedom of individual thought, and collective consensus to be crushed. The democratization of the FSLN begins with respect for individuals and with not allowing people who seem to be one thing but who are quite the opposite to impose their unhealthy wills.

The FSLN is opposed to dictatorship on principle. The FSLN emerged as the antithesis of Somoza's dictatorial system. A dictatorship is, in essence, the antithesis of democracy. Thus, dictatorship means imposition, a top-down hierarchy, arrogance, autocracy, violence, terror. This is why we in the FSLN must never allow any trace of dictatorship. On the contrary, all activists and the people must have confidence that our beliefs, our judgments, and our right to elect and be elected democratically are respected. Let us not allow leaders to be imposed on us.

Let us democratize the FSLN. Let us bring in people who think and act democratically, leaders who have done a great deal for the party and the people and who have not made it a point to maintain their idolized image. Leaders who are in the vanguard of thinking, who look to the future, not to the past of violence. Leaders who think about a new Nicaragua. Leaders like Dr. Sergio Ramirez Mercado, who has worked without political propaganda, who has not availed himself of the FSLN's resources to cultivate his image. He shines with his own light.

We Sandinists are thinking beings. The people are wise; they know how to distinguish what is good; a people who want a better future, a future of peace and of harmony.

Carlos J. Vegacruz B.

Panama

Revolutionary Party of the Workers Endorses PRD

PA2402153194 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Feb 94 p2

[Report by Claudio Herrera]

[Text] The Democratic Revolutionary Party (PRD) today received the endorsement of the Revolutionary Party of the Workers (PRT), which regards it the "best possible (electoral) option" and feels the task now is to "defeat at the polls the oligarchic alliance (Molirena [Nationalist Liberal Republican Movement], Morena [National Renewal Movement], Civic Renewal Party)."

The PRT, which is reorganizing, threw its support behind the PRD in a communique that stated that the latter offers an internal structure "that allows for the opening of (basic) maneuvering room for participation that is comparatively more democratic."

In its analysis the PRT leaders gather that since the Civic Democratic Opposition Alliance took control in 1989 it began "to fragment as a result of the decisive impact of its abuses, irrational greed, ill-disguised corruption, and, of course, its systematic measures against the nation and the people." According to the PRT, the errors of that alliance "were nothing more than the inevitable and fitting result of the social nature of the governing individual."

The PRT document, signed by Graciela Dixon, Egbert Wetherborne, and Ramiro Guerra, indicated that "based on its ideals, origin, and historic reason, the PRD is more committed to the national tasks pending at the end of the century." The group also pledged to work for the PRD platform, "because with the people in power it will be possible to continue the struggle for an improved national and popular option."

Roundup of Electoral Developments

PA2402184294

[Editorial Report] The following is a compilation of reports on developments related to the Panamanian elections scheduled for 8 May 1994.

All Electoral Tribunal magistrates reiterated that no time extension would be allowed for election candidates to register and that the 8 February deadline at 1630 was announced long ago. The Authentic Liberal Party rallied outside the tribunal to protest the decision. It was also reported that the Civic Renewal Party presidential candidate, Ruben Dario Carles, visited the Victoriano Lorenzo Corregimiento in San Miguelito District where he walked through several streets and met with residents who expressed their community problems. Carles mentioned his recent trip to Honduras where he saw how certain industries operate. Carles suggested that similar industries in Panama could help reduce unemployment. Carles said: "We have visited San Miguelito several times, and greater attention to education, health, work, transportation, and security is needed in this area." (Panama City Circuito RPC Television in Spanish 2300 GMT 16 Feb 94)

President Guillermo Endara challenged presidential candidates who use government corruption as their campaign topic to present the necessary evidence. Replying to a reporter's question about a possible punishment vote by dissatisfied groups, Endara replied: "I cannot see why my government should be punished for having gone by the book. Everyone is free to vote whichever way they please, but a punishment vote is a wasted vote." (Panama City Circuito RPC Television in Spanish 2300 GMT 17 Feb 94)

Ernesto Perez Balladares, presidential candidate for the United People Alliance, which is comprised of the PRD, Democratic Revolutionary Party, the Labor Party, and the Liberal Republican Party, presented formal registration documentation to the electoral tribunal and explained the party's name as "a desire to work for the best popular interests, for Panama's most needy and humble" and referred to the current administration as "belonging to the elite." On repeated charges of close contacts with former

dictator Noriega, he replied: "Who, me? I have never had contacts with Noriega, much less now. I was a great friend of Omar Torrijos, who was a great nationalist and popular leader, who was also a member of the military. But I have no friends among the military, my friends are individuals." (Panama City Circuito RPC Television in Spanish 2300 GMT 18 Feb 94)

The Solidarity Party presidential candidate, Samuel Lewis Galindo, was interviewed by Carlos Singares, and one of the topics he discussed was U.S. military bases. He said that as long as the United States is interested in keeping military bases in Panama there is a possibility for this to be renegotiated. Nevertheless, he added that one needs to take into account that with the end of the Cold War, closure of U.S. bases everywhere is a topic of current interest. (Panama City EL SIGLO in Spanish 20 Feb 94 p 16)

After touring the Betania area with his wife and other PRD leaders, Ernesto Perez Balladares gave assurances that he will win the presidential election by a landslide and downplayed disparaging comments by certain political sectors. He would not comment on Carles' political campaign or on criticism by former Defense Force Chief Ruben Dario Paredes. (Panama City LA ESTRELLA DE PANAMA in Spanish 21 Feb 94 p 1)

Candidate Carles told a group of professionals, workers, and businessmen that his political project is to streamline the government in order to have enough savings for public works and investments that will generate employment and fight poverty. He said that his administration "must impose on itself the task of productive, immediate, intelligent, and optimum exploitation of all our advantages for the benefit of Panama and Panamanians; employment must stop being a specter in the thousands of homes of our fellow citizens." Carles also pledged to end discrimination towards women and stressed the need for women to participate in all public and private activities. (Panama City LA PRENSA in Spanish 21 Feb 94 p 20a)

Mireya Moscoso de Gruber, the Arnulfist Party presidential candidate, said that defense forces are not needed to guarantee security and that the country will not return to a military system. She did not rule out, however, a special canal protection force. (Panama City Circuito RPC Television in Spanish 2300 GMT 21 Feb 94)

A Molirena, Nationalist Liberal Republican Movement, source reported that Carles traveled to Colombia to meet with President Cesar Gaviria to discuss bilateral topics. (Panama City LA PRENSA in Spanish 22 Feb 94 p 1a)

CADE, Annual Conference of Business Executives, has invited all presidential candidates to explain their programs to improve western Panama—Chiriqui and Bocas del Toro Provinces—during the upcoming meeting in Bambito. Candidates Jose Salvador Munoz, of the Doctrinaire Panamenist Party, and Ruben Blades, of the Papa Egoro Movement, have excused themselves. (Panama City Telemetro Television Network in Spanish 1730 GMT 22 Feb 94)

Comptroller General on Financial Situation

PA2402145694 Panama City LA PRENSA in Spanish 20 Feb 94 p 4A

[Text]

Letter to the media

The purpose of this letter is to report on the public finance situation to the Executive Branch through the media covering the following aspects:

1. The imbalance that has occurred due to the balance in hand situation, taking into consideration the 1994 budget compared to what is really available.

2. The direct dependence between the investment budget and foreign credits resources.

3. The structural problem of the government budget where current resources do not cover the costs of operations.

4. The public debt service which, in the future, will become one of the economic and fiscal topics of most importance for all Panamanians.

5. An explanation of why the Comptroller General's Office did not reserve 22 million balboas of the so-called "parliamentary initiatives."

6. The Finance and Treasury Ministry's responsibility of obtaining the necessary resources for complying with the budget of current resources.

7. The need to take measures to control public expenses as of right now, so we will spend only what we can afford.

Panamanians are confronting several challenges and problems which we must extensively analyze to try and find the best solutions. We have decided to send you this note, and we apologize for not sending a copy to each person individually, but we wanted you to know to whom we sent a copy so as to guide public opinion in a responsible manner.

At first, we thought of inviting you to a meeting at the Comptroller General's Office to give you more details and explanations, but we think it would be difficult at this time because of your many duties. We are at your service for any additional explanations you may need.

Yours truly,

[signed] J. Chen Barria, Comptroller General

Report to the president

Your Excellency:

Early in January 1994, you asked me to present our preliminary impressions of the 1994 national budget and the country's fiscal situation before the Cabinet Council. When some changes took place in the Cabinet Council in early 1994, you once again expressed concern for the difficult 1994 fiscal situation of the government, and you asked us, on Thursday, 3 February, to present before the new cabinet during its first formal session a report on the 1993 budget implementation and our comments for 1994, which we are doing in writing in this note.

1. The constitutional framework: Budget Equilibrium.

Article 267 of the Constitution of the Republic establishes that expenditures will balance with revenues in the budget prepared by the Executive Branch. Therefore, the Constitution requires that the budget is balanced.

2. Law 32 of 31 December 1993.

This is the law by which the national state budget was approved. Article 135 says: "The general state budget consists of estimating revenues and the maximum authorized expenditures that central government institutions, decentralized entities, public enterprises, and intermediator financial organizations can commit to for the corresponding term. [no closing quote marks as published]

The Comptroller General's Office is not responsible for preparing the General Budget of the nation. This law establishes the state general budget in the amount of 3.9044 billion balboas, of which 1.9286 billion balboas correspond to the central government budget (Annex No. 1).

The Revenue and Expenditures Budget of the Central Government is as follows (in billions of balboas):

Total Revenue	1.9286
Current Revenue	1.4158
Capital Revenue	.5128

The estimated capital revenues include:

—Resources from foreign credit in the amount of 324.3 million balboas (loans from international financing institutions, credits, and donations from governments and other institutions.)

—Balance in hand and in the bank for 96.2 million balboas. (Annex No. 2)

Details of the expense budget are as follows:

Operation costs	$ 1.5479 billion
(Public debt)	(493.0) million
(Operation transfers)	(269.5) million
Investment costs	380.67 million

The $1.5479 billion in operation costs includes $493.0 million in public debt service expenses and $296.9 million in transfers to other agencies.

3. Why does 1994 start with a projected fiscal deficit of $79.6 million?

It is necessary to indicate that the budget process begins several months before the end of the fiscal year so cash balance estimates are subject to variations and adjustments, especially during the last two months of the year when public agencies expedite their bids and requests for the submission of prices, as well as the issuance of contracts and payments.

The 1994 budget included an estimated cash and bank balance of $96.2 million, but this did not happen. The fiscal year which ended on 31 December 1993 showed a cash and bank balance of $16.6 million, which immediately results in a budget shortage as follows:

Law No. 31, 12/31/94	
Cash and bank balance	$96.2million
Comptrollership General of the Republic, 31/12/93	
Budget shortage	16.6million
Budget deficit or shortage	$79.6million

4. How is the 12/31/93 cash balance determined?

We have implemented strict expense controls since we assumed the post of comptroller, without affecting government operations. By 10 December, we had a projected deficit of $28.4 million for 31 December 1993. The measures we adopted include the following:

4.1 We canceled 1990, 1991, and 1992 purchase orders which had not been formally made. This represented $10.2 million in our books.

4.2 We also proceeded to annul the 1990, 1991, and 1992 budget reserves. This represented $23.2 million in our books.

4.3 Additional contributions to the 1993 budget came from IPAT [Panamanian Tourism Institute], the National Beneficent Lottery, and the National Mortgage Bank.

4.4 Savings from November and December public expenses.

4.5 We continued to finance the 1993 cash and bank balance, $83.6 million, including government agencies' debts, which have yet to reimburse the central government for the amounts paid to the IFI's [International Financial Organizations] on their behalf. (Annex No. 3)

5. Why were all financial allotment requests not registered in 1993?

The comptrollership general received financial allotment requests, which were to be included in the 1993 fiscal year, from ministries and agencies and legislative projects for $72.5 million. (Annex No. 4)

These reserve requests are listed as follows:

Operation reserves	$13.2million
Investment reserves	59.7million

Logically, the $72.9 million could not be reserved. Therefore, the comptrollership general reserved the following:

—Formally signed contracts.

—Formally signed purchase orders.

—Projects subject to public bids.

—Subsidies to decentralized entities.

A total of $16.8 million were reserved for formally signed documents.

6. Why were all the legislators' projects not registered?

Legislators had submitted requests, through notes, to reserve $22.7 million for their "parliamentary initiatives." (Annex No. 5, listed by legislator)

The reserves were not created because of the following reasons:

6.1 There were no documents on public bids.

6.2 There were no written requests for reserves.

6.3 If the reserves had been created, this would have resulted in a fiscal deficit which would have reduced the cash balance and increased the budget deficit for the 1994 fiscal year.

6.4 Legislators have the opportunity to request that their "parliamentary initiatives" be registered for the 1994 fiscal year.

7. What is the financial situation of the 1994 budget?

By not having the estimated cash balance of 96.2 million balboas and with a budget imbalance of 79.6 million balboas, the Comptroller General's Office has established the 1994 budget situation 11 months ahead of time, and is asking all ministers, deputy ministers, and all public institution directors and assistant directors to curb public spending, especially in the following areas:

Personnel (appointments and promotions).

Public services (Institute of Hydraulic Resources and Electrification, National Institute of Telecommunications, and National Water and Sanitation Institute).

Per diems and trips abroad.

Fuel.

8. What does execution of the investment budget depend on?

There is a structural problem in the Panamanian state's public finances. Panamanians do not save; the government does not [two previous words in upper case] save or collect sufficient income through taxes and its institutions are not profitable. Consequently, public investments must be financed by putting ourselves in debt and thereby increasing the debt service.

The central government's 1994 investment budget is 380.7 million balboas, of which 318.9 balboas are from direct investments. How will these investments be financed? By putting ourselves more in debt.

According to estimates, the country will receive 324.3 million balboas in foreign credit. It will be broken down as follows:

8.1 Conditional loans from IFI's, 183.9 million balboas.

8.2 Financing without conditions, 76.7 million balboas.

8.3 Agreements with foreign governments, 63.7 million balboas.

Mr. President, the question is: What will happen if this financing is not obtained as expected? Will we meet the IFI's requirements to obtain its disbursements?

9. What is the great responsibility of the Ministry of Treasury and Financing?

The central government's budget estimates current revenue collections will total 1.4158 billion balboas, which will be allocated to cover, along with other income, the central government's operating expenses, estimated at 1.3479 billion balboas.

What will happen if the Ministry of Finance and Treasury is unable to collected the budgeted amount? From now, this Ministry must take appropriate measures to avoid tax evasion, contraband, etc. so as to obtain the estimated current revenues. Otherwise, the 1994 deficit will increase.

10. The Public Debt Service

Whoever governs Panama in the future will face one of the most serious problems in public finances, the government, the economy, and the country in general. The public debt service.

The 1994 budget contemplates 493 million balboas for servicing the internal and external public debt. This figure, which is already high, does not include debt servicing of the San Jose Pact, Japanese and European bonds, or commercial banks. When agreements for restructuring the previously mentioned debts are achieved in the future, servicing the Panamanian public debt will be one of the most serious economic, financial, and fiscal problems for future leaders and the Panamanian people. The debt corresponds to the country and its inhabitants and not the administration that may be in office.

11. The important role of the MIPPE [Ministry of Planning and Economic Policy], Ministry of Finance and Treasury, and the Comptroller General's Office.

Article 147 of Law No. 32 establishes the following: If at any given time during the fiscal year, MIPPE, together with the Ministry of Finance and Treasury and the Comptroller General's Office, considers that revenues may be lower than the total expenses authorized in the government's budget, it will present a spending reduction plan before the Cabinet Council to avoid incurring a deficit. This presentation will be followed by appropriate legal actions, including the corresponding approval of the Legislative Assembly Budget Commission. This action, after approval has been duly granted, will be considered a modification to the state general budget, as set forth in Article 205. In light of this situation, we present, we think, Mr. President, that those of us who have the legal responsibility to take appropriate action must begin our task.

12. Can funds not used in 1993 be reallocated?

We suggest the remaining 1993 budget reserves, which were not used due to the aforementioned reasons, be considered for inclusion in the 1994 budget. This will allow them to be used so as to take advantage of the institutions' 1993 efforts.

13. Special 1994 credits against current revenues.

Given the 1994 financial situation, it is necessary to point out the limitations we are facing for addi?ional credits, whose financing will come from current revenues in 1994. Consequently, the Comptroller General's Office will not approve said credits if the current situation does not improve.

On this lengthy but necessary note, we wished to state, in detail, the fiscal situation, with the desire of observing the wise popular saying, which goes: "We must use only what we have at hand."

Respectfully and truly yours,

J. Chen Barria, Comptroller General

Foreign Ministry Denies Confiscation of U.S. Assets

PA2502020794 Panama City Circuito RPC Television in Spanish 2300 GMT 24 Feb 94

[From "The RPC Television News" newscast]

[Text] The Panamanian Foreign Ministry today said it does not know anything about the alleged confiscation of assets of U.S. citizens residing in Panama—confiscations that have been denounced by U.S. Senator Jesse Helms. Deputy Foreign Minister Carlos Cordero expressed surprise over the statement by Senator Helms, who accused the Panamanian Government of seizing assets of U.S. citizens. Cordero said the Panamanian Government will ask Jaime Ford, the Panamanian ambassador to the United States, to send information regarding the Republican senator's statements in an effort to clarify the situation.

[Begin recording] [Cordero] The Foreign Ministry has heard nothing about any seizures whatsoever. Nevertheless, we have asked Jaime Ford, our ambassador to the United States, to send us the transcripts of the statements made by Senator Helms in order that we can examine them.

[Unidentified reporter] Have you asked the U.S. Embassy in Panama for additional information to clarify this situation?

[Cordero] If deemed appropriate, and if the U.S. Embassy has any information which might shed some light on this situation, we will consider making such a request. [end recording]

According to the diplomat, Panama is interested in knowing the source of Helms' information.

[Begin Cordero recording] We want to examine his statement carefully and determine the source of the information he has disclosed before the U.S. Senate. [end recording]

EU Ambassador Signs Cooperation Agreements

PA2502040294 Panama City ACAN in Spanish 1718 GMT 23 Feb 94

[Text] Panama City, 23 Feb (ACAN-EFE)—The European Union [EU] signed several cooperation agreements in Panama City today worth more than $2 million, which will be channeled to the Electoral Tribunal, Kuna Indians, and the Justice and Peace Commission.

Vittorio Alloco, EU ambassador to Central America, signed the agreements at a ceremony during which it was underscored the Central American region is the "first partner" of the development promotion policy being fostered from Brussels. The European diplomat said with more than 500 projects underway, worth more than $600 million, Central America is in first place, on a per capita base, among the regions the European aid is benefiting.

The Panamanian Electoral Tribunal will receive from the EU more than $500,000 to conduct a nationwide campaign to inform citizens about the new single-ballot voting system, which will be used for the first time in the upcoming 8 May general elections.

Electoral Tribunal President Eduardo Valdes has said the highest Panamanian electoral authority is also expecting complementary European aid to buy vehicles to be able to reach the remotest communities in the country.

The EU representative signed another agreement with Kuna "Indian Chief" Carlos Lopez to improve the traditional production sectors of the Indian communities and to promote sustainable development.

Another agreement was signed with the Justice and Peace Commission, which Stanley Muschett, Santa Maria La Antigua University president, heads. This agreement will enable the commission to conduct a poll during the elections.

The tour of the EU ambassador, who is headquartered in the Costa Rican capital, will end with the signing of another agreement with the Panamanian Foreign Ministry.

Bolivia

Police Attache Appointment to Embassy in U.S. Questioned

PY2202181794 La Paz Television Nacional Network in Spanish 1700 GMT 22 Feb 94

[Excerpt] So far it is a rumor: Colonel German Linares may be appointed police attache to the Bolivian Embassy in Washington. The Bolivian Foreign Ministry has not confirmed this rumor. Anyway, Linares cannot be appointed as attache until his pending trial is resolved in Bolivia. The facts were made public thanks to Senator Andres Solis Rada.

Ten years ago, in 1984, a lawsuit was filed against a long list of individuals accused of being involved in the kidnapping of the then-president of the Republic, Hernan Siles Suazo. The name of Col. German Linares is on the list and he is allegedly one of the main individuals responsible for that criminal action and the coup attempt. However, the trial was paralyzed a long time like many other lawsuits that sleep in the courtrooms of our country.

Solis Rada, alarmed at the possibility that Linares might be appointed to a diplomatic post, remembered the case and asked District Attorney Javier Dipps to reactivate the trial. Therefore, this not only means that Col. Linares cannot be a diplomat, but he cannot even leave the country. [passage omitted]

Lawmakers: U.S. Drug Policy Entails 'Social Problems'

PY2402132194 La Paz LA RAZON in Spanish 12 Feb 94 p A2

[Text] MIR [Movement of the Revolutionary Left] Deputy Sergio Medinacelli, CONDEPA [Conscience of the Fatherland] Deputy Eduardo Paz, and ADN [Nationalist Democratic Action] Senator Jorge Landivar believe the new U.S. antidrug strategy, escalating the drug enforcement in the producing countries, will entail social problems. Therefore, their initial reaction was to reject transferring the "dirty war" to Bolivia.

In this regard, the three opposition congressmen lashed out at the fact that Bill Clinton's administration has decided to give more attention to its "domestic policy," leaving the producing countries at the mercy of clashes between drug traffickers and antidrug forces that, more often than not, kill peasants and not the criminals deeply involved in drug trafficking activities.

Landivar exclaimed: "We will not allow our country to become another Colombia." Paz pointed out: "A bloodbath involving innocent people will be the result of an antidrug war." Medinacelli stressed: "We cannot pay for Clinton's pragmatism."

Like the Industrial Field

Medinacelli compared the U.S. decision with a situation that arose a few years ago in the industrial field when the United States purchased mineral complexes from Bolivia and paid for tin alone. Nevertheless, when the United States realized that refining tin damaged the U.S. environment, it preferred the refining to be carried out in our country.

The MIR congressman added: "The same happens with drug trafficking. First, the United States waged a cruel war against drug trafficking in which even politicians were involved, and now it wants this dirty war to be waged outside U.S. territory."

The Armed Forces Will Not Join the War

After pointing out that the U.S. contribution always involved interdiction, with its consequences of violence and death, Paz ruled out the possibility that the Armed Forces might join the struggle against drug trafficking because in the past few years the Special Antinarcotics Force (FELCN) has managed to accumulate more "firepower" than the Bolivian Army.

The CONDEPA deputy noted: "The U.S. decision will promote an antinational discussion on the viability of alternative development in our country."

He Is Not Acquainted With Latin America

For his part, Landivar said Clinton's decision seems to be a result of his unawareness of the positive results yielded by alternative development in the Latin American countries.

In Bolivia, Landivar said, the Repentance Decree was the outcome of the social isolation to which the drug traffickers have been exposed through well-developed consciousness-raising campaigns.

Chapare Coca Growers Mobilized Against Eradication

PY2302230594 La Paz PRESENCIA in Spanish 12 Feb 94 Section 2 p 2

[Text] Cochabamba—Some 50,000 coca growers affiliated with the five coca growers federations of this department have been told to fight the imminent compulsory coca eradication that has generated a strained atmosphere in this tropical zone.

According to information obtained, the government has instructed the National Coca Control Directorate (DINACO) and the Coca Eradication Directorate (DIRECO) to fulfill the plan to eradicate all surplus coca plantations by 31 March "with or without dialogue."

Jorge Martinez, coordinator of the five federations, voiced his "deep concern" over the fact that government authorities "have given this order but they do not want to dialogue because since January they have repeatedly

suspended scheduled meetings. They promised an answer in writing but have failed to give it."

Martinez asserted: "We are certain that the government is seeking to justify the compulsory eradication of coca plantations." He said that in view of this, the latest emergency meeting held in Ivirgazama decided to declare coca growers in state of alert and mobilization.

He added: "We are organized," adding that the committees for the defense of coca leaf production in labor organizations and unions "are already alert." He said they have decided to suspend the voluntary eradication "in response to the government's lack of interest."

The leader added that "although the government is making fun of us" they will wait until 16 February for the announced meeting to take place, even though DIRECO "constantly threatens and pressures us."

Martinez charges that members of the Victor Ustariz Regiment and of the Special Forces Training Center (CITE) will enter the tropical zone to carry out maneuvers, but they believe "it is part of the plan to use force to eradicate the coca plantations."

In face of this, he warned that coca growers will begin a hunger strike because they do not have the means to face the military men. He added: "There is a very tense atmosphere, there is fear that clashes will take place. This is, seemingly, what the gringos want to justify the intervention."

Martinez recalled that coca growers proposed amending Supreme Decree No. 23668 which eliminated the participation of the peasants as established by Supreme Decree No. 22270. "Now the government ministry is in charge of promoting development in Chapare and this is not right. We have made concrete proposals but have not received any answer."

Martinez added that if the authorities in charge of handling coca producer affairs do not answer, they will request an audience with the president of the Republic to whom they will explain their problems "within the framework of the people's participation plan he always talks about."

Growers Propose DEA 'Expulsion'

PY2302232394 Cochabamba LOS TIEMPOS in Spanish 13 Feb 94 p C4

[Text] "Faced with a governmental onslaught," the Federation of Tropical Carrasco Settlers [Federacion de Colonizadores de Carrasco Tropical] is reorganizing the coca defense committees and has proposed "Option One" ["Opcion Uno"]—the expulsion of the DEA—to counter the government's "Option Zero" ["Opcion Cero"] which involves a massive reduction of our country's coca crops.

The communique was released following the government's decision to forcefully reduce all coca crops in the Chapare region and to mobilize Coca Reduction Directorate (DIRECO) agents who "intimidate and threaten our rank-and-file comrades, forcing them to reduce their coca crops."

In response to the government's "Option Zero"—which involves the eradication of our coca crops as a way of drug enforcement—the Federation of Tropical Carrasco Settlers proposes "Option One"—the expulsion of DEA officials from our country—"to reassert our national sovereignty."

The eight-point communique released yesterday, after the government again suspended a meeting scheduled to discuss coca problems, instructs federation members to nationally and regionally reorganize coca defense committees, which comprise all existing institutions and organizations.

In a serious warning, which seems like an imposition, the federation members call citizens' committees of the tropical region and mayors' offices to support the coca growers' struggle.

The communique notes: "If they refuse, the coca producers will intervene in these institutions."

The coca growers communique states: "Reject any governmental attempt to carry out a forceful reduction of coca crops." The communique also declares "a state of emergency and constant mobilization of our federation's ranks, and a suspension of the voluntary reduction of our coca crops until the government implements development projects."

The coordinating committee of the five coca growers federations also proposes "calling a protest rally in the town of Ivirgarzama as soon as possible."

The communique concludes by stating: "Faced with the government's Option Zero—which involves the complete removal of coca in the tropical region—we propose Option One, involving the DEA's expulsion from our national territory."

Antinarcotics Agreement Signed With Chile

PY2402012394 La Paz PRESENCIA in Spanish 13 Feb 94 p 5

[Excerpt] Drug Prevention and Social Rehabilitation Under Secretary Jose Luis Harb yesterday disclosed that the Bolivian and Chilean governments have agreed to unify their policies to prevent drug consumption in the high risk regions in both countries.

The plan is to establish control, education, and health promotion policies, as well as to work on drug prevention programs and the struggle against drug trafficking, as part of a plan to change the antinarcotics strategy.

In Jose Luis Harb's opinion, the most important achievements in international negotiations were those reached with the Chilean Government.

He asserted: "Important agreements have been reached for the establishment of common and reciprocal actions in the interdiction field, and for the exchange of information on the border control and particularly on illegal precursors smuggled into the country."

The "narco-influence" ["narco-influencia"] phenomenon, which the government has identified as the "number one" threat to youths in Bolivian territory, has increased the level of drug consumption in the country to 2 percent of the Bolivian population.

According to a study conducted by the Drug Prevention and Social Rehabilitation Undersecretariat, "narco-influence" has become the main concern of the Government Ministry due to Bolivia's character as a drug producer and generator of cocaine trafficking to the rest of the world.

Jose Luis Harb commented: "Most youths start off by getting involved in drug production, then in drug trafficking, and they end up becoming highly addicted."

This is how the "narco-influence" phenomenon is generated in Bolivia, although he did not mention the true origin of "the youths' involvement in the underworld." [passage omitted]

Decision To Overcome Landlocked Status Confirmed

PY2402212794 La Paz PRESENCIA in Spanish 14 Feb 94 p 1

[Text] President Gonzalo Sanchez de Lozada's government yesterday confirmed its inflexible will to overcome our landlocked status, 115 years after losing the port of Antofagasta.

A Foreign Ministry communique notes: "The policy of recovering Bolivia's sea outlet follows the world democratization, trade opening, cooperation enhancement, and true integration processes."

The communique adds: "Bolivia's access to the Pacific Ocean, through a free, sovereign, and useful outlet, through diplomatic procedures, is a priority for our country and our government. It is supported by the hemispheric community."

The then-Bolivian port of Antofagasta was seized on 14 February 1879 by the Chilean Army, thus initiating the "War of the Pacific;" a military conflict that involved the Republic of Peru and ended in the loss by Bolivia of the Littoral Department to Chile.

The national territory's amputation was consummated through a Peace and Borders Treaty signed under Chilean pressure in 1904 which sentenced Bolivia to become a landlocked country. Various attempts to negotiate a revision of the treaty have failed due to the Chilean unswerving refusal to consider Bolivian aspirations.

Diplomatic relations between the two countries have been severed since 1962, apart from a brief interval during the government of former de facto President Hugo Banzer.

The Foreign Ministry notes that the sea recovery claim will remain unchanged in all international forums.

The Foreign Ministry says: "We are committed to pursue, at the appropriate forums and based on a national consensus, the appropriate actions to favorably resolve Bolivia's sea claim, thus implementing justice in international relations and an effective Latin American fraternity."

President Presents Popular Participation Law

PY2102160394 La Paz Radio Fides Network in Spanish 1100 GMT 21 Feb 94

[Text] The following is a report from the Social Communications Ministry:

Last night, in the main hall of Government House, President Gonzalo Sanchez de Losada presented the Popular Participation Law to the nation. He did so on a national radio and television network in the presence of an audience of guests specially invited by a [word indistinct] polling company for a question and answer session.

As is his custom, the president presented the law during a frank dialogue with the Bolivian people and explained the scope and benefits this law will bring to all municipalities, communities, and cantons.

[Words indistinct] of the law, he said that it promotes and consolidates popular participation by incorporating Indian, peasant, urban, and rural communities in the political and economic life of the country. This law will likewise improve the lives of Bolivian men and women with a fairer distribution of wealth and better administration of public funds. It will strengthen the political and economic instruments necessary to improve democracy and will facilitate and make the participation of the people possible. [recorded passage indistinct]

Labor Group Accused of Threatening Stability

PY1802202394 Cochabamba LOS TIEMPOS in Spanish 10 Feb 94 p A2

[Excerpt] Labor Minister Reynaldo Peters accused the Bolivian Labor Federation [COB] of intending to carry out actions to place the governability and stability of the Bolivian state at risk with its intransigence and refusal to discuss the economic and social measures implemented by the government.

Peters made this statement a few hours after several professional and labor organizations adopted radical pressure measures against the government, rejecting the capitalization of public enterprises, the reform of the social security and education system, and a wage increase of only 7.5 percent.

"None of the strikes announced in the past few hours were legally notified according to the Labor Law," Peters said. He added that the Bolivian Medical Association, which will hold a 48-hour strike, and energy and telephone company workers, who will hold a 24-hour strike, "have not made any economic demand at all."

He said he ordered measures to punish those who do not go to work, adding that strikes by service sector workers were declared illegal.

The labor minister regretted that the Bolivian labor organizations have adopted "a frank and offensive attitude of incomprehension toward the government and its policy."

He said this "labor intransigence does not reflect the will of the Bolivian people or workers; it is a political position of the labor chiefs."

"Feeling relegated from the labor organization as a result of the measures announced by the government, these union leaders are making an effort to attain a more prominent position at any price," the minister said.

Peters said that is the position assumed by the COB leadership, especially since the COB will hold a congress in May.

"Such is the real spirit behind the labor strikes and mobilizations that are planned in the whole country," Peters said. [passage omitted]

Workers Union Leader Warns of Land Takeover by Peasants

PY2402194694 La Paz LA RAZON in Spanish 15 Feb 94 p A10

[Article by Potosi correspondent Mario Mamani Morales]

[Text] 14 February—When assuming office as the new national leader of the General Trade Union Confederation of Bolivian Peasant Workers [CSTUCB], Felix Santos Zambrana emphatically said: "We are going to launch a strong offensive against small estates [as published] in Bolivia so that lands may revert to their original owners—the peasantry." Santos was elected CSTUCB leader during a convention held in Cochabamba.

The new leader stated that the problem of land will be one of his overriding concerns as CSTUCB leader.

According to data provided by this trade union, there are approximately 36 million hectares of arable land in Bolivia, of which only 4 million are owned by true peasants; the remaining 32 million hectares have been given away to the big landowners or large estate owners, especially in the departments of Pando, Beni, and Santa Cruz.

With regard to this issue, Santos explained that "there are, however, 3 million of us peasants who are affiliated with the CSTUCB, and who are demanding that we be given lands so as to be able to eke out a living. We are not asking for a present, but rather to be given back what has always belonged to us."

While a few big landowners have control of most of the land in Bolivia, more than a million Bolivian peasants are tilling others' lands in Argentina and Chile. "Need has led them to grovel for a job in other nations, which they enrich because they have no future in the land of their forefathers."

According to Santos, an average of 45 Bolivians emigrate to Argentina every day from Potosi Department alone. Even though most of them are illiterate peasants, they are skillful agricultural workers. Argentine ranchers are thus exploiting this situation to their own advantage.

Santos stated that in order to put an end to this situation, the CSTUCB will further a policy of dialogue with the government so as to effect a land reform that will enable thousands of peasants to settle in lands located in eastern Bolivia, where there are projects under way providing technical, agricultural, health, and education support.

"If they do not pay heed to our demands, we will then be forced to invade the land given out to big landowners, who moreover do not cultivate it," he asserted.

According to Santos, Law 1008 is an enemy to coca growers but not to drug traffickers. "Peasants are maltreated, persecuted, killed, their homes are burned down, their organizations are intervened with, while drug traffickers themselves go unscathed," he says.

He contends that the jails are packed with peasants who have been driven by hunger to engage in processing drugs, whereas wealthy drug kingpins who bribe authorities never have to go through difficult moments if they are ever caught.

Santos is of the opinion that "coca ought to be processed and exported, whether as pharmaceutical products or for other legally accepted uses, and for these drugs Bolivia should get export earnings that favor peasants through legal channels."

This is the first time in 17 years that CSUTCB has entrusted its leadership to a Quechua Indian.

The CSUTCB was established on 26 June 1979, and has been headed by Aymara leaders from La Paz Department for 14 years. Only once was it headed by an Aymara from Oruro City (Juan de la Cruz Villca). Chapaco, Camba, and Quechua Indians have never had a seat in the union's executive board.

Santos advocates that his new management strategy will seek to "be the bulwark of a multicultural Bolivian state, which we will seek to establish through the integration and strengthening of Aymara, Guarani, Chapaco, Camba, and Quechua Indian cultures."

He told LA RAZON that the "military-peasant pact" made with the help of civilians during the past military

regimes was a red herring to carve up the land, "but the time has come for us to struggle to have our grievances met once and for all."

The multicultural state that he proposes will consist of achieving the full representation for all nationalities existing in Bolivian territory, through the establishment of "Assemblies of Nationalities" first, and then of a great peasant organization.

Santos stated that "there are qualified people among us peasants. We have become aware of the reality that involves 500 years of exploitation and pillage of our natural resources, our lands, and we have decided that we have had enough of so much humiliation."

Brazil

Agenda For Promulgation of Emergency Fund Outlined

PY2402193494 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 24 Feb 94

[Text] The Social Emergency Fund [FSE]—which is considered essential for the success of the economic plan of Finance Minister Fernando Henrique Cardoso—will most probably be promulgated this week. Congress approved the FSE with just one change.

[Begin recording] [Reporter Luciane Bacellar from Brasilia] The FSE was approved by 402 votes of the 500 congressmen present for the voting. Only one change was made: The government lost its power to reduce the bank PIS [Social Integration Program] contribution.

Congress approved the FSE but it has yet to decide whether to implement it immediately. The voting may take place this afternoon. The administration needs 293 votes to implement the FSE immediately. The date of the session at which the bill will be promulgated will be decided later. Only then will the FSE be implemented and will Minister Cardoso go ahead with the second phase of his economic plan: the Real Value Unit, URV.

[Senate Speaker Humberto Lucena] Congress must first conclude its work so that the minister can do his part. If the amendment is approved we will immediately call a session to promulgate it because it must be promulgated at a plenary meeting. [end recording]

Finance Minister Explains, Defends Real Value Unit

PY2402192394 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 24 Feb 94

[Text] The decision has been made: Now that Congress has approved the Social Emergency Fund [FSE], the economy's new leading index will go into effect early next week. Finance Minister Fernando Henrique Cardoso today explained that the Real Value Unit [URV] will be adjusted for 100 percent of inflation.

[Begin recording] [Reporter Ana Paula Padrao from Brasilia] The minister was very pleased that Congress had voted for the FSE; it put him in a very good mood. On his way to work this morning, he stopped to purchase newspapers, and briefly refuted the more sensationalist headlines. He promised: Nobody has to rush to the banks to take out their money, because the new economic plan does not change anything in the lives of the workers. He confirmed that the provisional measure establishing the URV will be issued on 28 February, adding that he is not worried by the coincidence that the Cruzado Plan had been launched on the same date. The Cruzado Plan was a good economic plan, Cardoso said, adding that a lot has been learned in the meantime, and the new plan will be successful.

The minister stated that measures designed to punish companies which increase their prices outrageously are being studied. Cardoso confirmed, however, that the policy of the economic team is to adjust salaries according to the inflation average and keep prices free. From his point of view this is to the workers' advantage. He explained that those whose salaries are stated in URV will be protected. Once the URV is implemented, salaries will not stay behind inflation for a single day.

[Cardoso] The wages of workers who get paid by the day will be adjusted practically every day. Those who get paid by the week will have their wages adjusted throughout the week, and those who get paid by the month will have their wages adjusted throughout the month. That is not the case now, because wages are adjusted for only 90 percent of inflation three months out of four, and only on the fourth month are the workers' wages adjusted for 100 percent of inflation. It will be different from now on: Wages will be adjusted for 100 percent of inflation throughout the month.

[Padrao] Once salaries are adjusted for the average inflation through the URV mechanism, what will happen to prices? Everybody is worried because prices will not follow the same approach.

[Cardoso] The less prices follow the same approach the better for the salaried workers, because the value of their income will be guranteed while prices will have no adjustment reference. Therefore, the longer businessmen take to adjust their prices through the URV mechanism, the better for the workers. [end recording]

Senate Vote on Patent Law Expected After Mid-1994

PY2502014594 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Feb 94 Section 1 p 4

[Text] Brasilia—Industry, Commerce, and Tourism Minister Elcio Alvares estimates that the draft patent law, which will regulate the protection of industrial property in the country, will not be voted on by Congress until the second half of 1994. The United States is

threatening to impose trade sanctions on Brazil if measures designed to protect industrial property are not approved by 28 February.

The Brazilian Government is seeking to avert U.S. retaliatory measures by proposing amendments to the draft patent law, which has been sitting in the Senate for eight months. Alvares is scheduled to talk tomorrow with Senator Beni Veras (Brazilian Social Democracy Party—Ceara State), who was confirmed yesterday as rapporteur of the draft law at the Senate Economic Affairs Committee, to persuade him about the need to introduce changes to the draft approved by the Chamber of Deputies in June 1993.

War College Commander Advocates State Petroleum Monopoly

PY2502015494 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 94 p A10

[Report by Luiz Guilhermino]

[Text] Rio de Janeiro—War College (ESG) Commander Brigadier Sergio Ferolla said yesterday that efforts to break the state's monopoly on the research, production, refining, and marketing of petroleum "are the result of pressure from foreign groups." In the brigadier's opinion, "petroleum is a strategic element, and therefore it is necessary to remain alert to the international interests that want to conquer the Brazilian petroleum reserves." According to the ESG commander, "society must not accept that Brazil be treated like a marginal country."

Ferolla advocated state control on petroleum exploration during a Science Forum discussion and during a meeting with federal university directors, both of which were held at the Rio de Janeiro Federal University (UFRJ). In his assessment, society has not discussed this issue at length, and it would be too early to implement such an important change. Ferolla claimed: "If the Constituent Congress decides to break the petroleum monopoly, it will be an untimely decision." In the ESG commander's opinion, "serious issues like those of monopolies should be decided with more coldbloodedness and less emotion."

The brigadier said it was necessary for society to be more conscious to discussion of the great national issues. He asked this "especially from young people, who will be carrying out the development of our country." Ferolla believes Brazil lacks a development model that takes into account the great differences existing between its regions.

Ferolla noted: "We require strategic planning. This is not a job for the military but for the whole of society, because the enemy is advancing. All it takes is to notice that our country is breaking apart." In the ESG commander's opinion, this planning must not take into account the desires of the multinational companies "that are viewing the commercial side alone." He explained that this does not involve opposing the multinational companies. Ferolla concluded: "They may and must gain their money, but they must not meddle with our country's sovereignty."

Roundup of Reportage on Economic Activities

PY2402213094

[Editorial Report] The following is a compilation of reports on economic activities in Brazil through 24 February:

The Brazilian Petroleum Corporation, Petrobras, today announced a new national oil production record: 723,063 barrels per day. This is mainly due to the production of three new wells in Campos Basin, on the northern coast of Rio de Janeiro State. (Brasilia Voz do Brasil Network in Portuguese 2100 GMT 17 Feb 94)

Brazil saved nearly $6.5 million as the result of a cut in electricity demand countrywide during the daylight savings program. (Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 18 Feb 94)

The Brazilian Institute of Geography and Statistics reports that the GDP increased by 5 percent in 1993, mainly due to industrial activity. The services sector closed the year with 3.5 percent growth, while farming activities dropped by 1.9 percent. The manufacturing industry grew the most, registering 10.1 percent. Activities in the services sector increased mainly due to the increase of trade, communications, and transport. (Brasilia Voz do Brasil in Portuguese 2100 GMT 19 Feb 94)

Plane tickets increased 18.1 percent today. This is the third increase this year. Plane tickets increased by a total of 128.58 percent so far this year. (Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 21 Feb 94)

Commercial exchange with Common Market of the South, Mercosur, members has gone from $4.5 billion to $8 billion in barely three years. Brazilian exports within Mercosur increased 35 percent and imports 58 percent. Brazilian regional investments will total $150 million this year. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 21 Feb 94 p B2)

A study conducted by the Interunion Department for Statistics and Socioeconomic Studies shows that the purchasing power of Brazilian workers dropped 55 percent in 1993 compared with 1 March 1990 when the Collor Plan suspended the monthly salary readjustment, causing the biggest drop ever in the country's recent history. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Feb 94 p 6)

The National Confederation of Industries on 18 February reported that Brazilian industry sales grew 7 percent in 1993 compared with the previous year. The total salaries paid to employees increased 2.4 percent, whereas the average installation capacity went from 70.9 percent to 74.2 percent. (Sao Paulo GAZETA MERCANTIL in Portuguese 21 Feb 94 p 7)

Federal Government debt in securities increased by $4.3 billion in January. The record exchange balance of $3.5 billion was the main cause. (Rio de Janeiro O GLOBO in Portuguese 22 Feb 94 p 30)

National Privatization Program Chairman Andre Franco Montoro Filho on 22 February reported that the Brazilian Government auctioned 25 companies valued at $6,447 billion in the 30-month period since the privatization program was implemented. (Madrid EFE in Spanish 2217 GMT 22 Feb 94)

The Brazilian Capital Market Institute has reported that net profits of foreign companies working in Brazil increased 488.6 percent in the first nine months of 1993 compared with the same period in 1992. (Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Feb 94 p 35)

Fuel prices were hiked by 18.5 percent on 24 February, thus registering an accrued increase of 88.17 percent so far this year. A liter of gasoline now costs 334 real cruzeiros. (Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 24 Feb 94)

* Strikes Increase 16.98 Percent in 1993

94SM0217D Sao Paulo GAZETA MERCANTIL in Portuguese 25 Jan 94 p 6

[Article by Sao Paulo correspondent Ana Florence]

[Text] In 1993, the Brazilian labor movement held more strikes, with more participants, than in the previous year. The most recent figures come from the Interunion Department for Statistics and Socioeconomic Studies (DIEESE), which calculated that last year there was a 16.98 percent increase in the number of strikes in comparison with 1992, which results in an average of 60.83 stoppages a month involving about 432,800 strikers.

"The successive declines that occurred in the unemployment rate in Brazil starting in May, and an upward trend in a wide variety of economic indicators made workers feel more secure and more willing to demand their rights," said Eduardo Matosinho, technical coordinator of DIEESE. In his view, workers were more worried about losing their jobs in 1992 and so avoided participating in strikes. According to DIEESE, in 1992 there was an average of 52 walkouts a month, involving 234,900 strikers.

Brazil: Work Stoppages in 1993

Month	No. of Strikes	No. of Strikers	Man/hours Lost*
January	50	110,614	5,579,144
February	35	113,449	8,041,116
March	46	411,763	64,107,384
April	65	440,784	86,409,929
May	79	1,408,010	169,095,902.2
June	62	642,363	33,737,838
July	73	144,539	8,766,312
August	73	804,113	41,585,816
September	80	649,665	74,536,796
October	57	293,484	57,538,514
November	58	162,863	4,817,448
December	52	12,378	419,975
Monthly average for year	60.83	432,835	46,220,514

Source: Interunion Department for Statistics and Socioeconomic Studies (DIEESE).

*Ratio obtained by multiplying the number of workers on strike by the number of hours of work stoppage for the month in question. For calculation purposes, a work day is considered to be eight hours for all categories.

Matosinho said the public sector was the main arena for work stoppages and was responsible for the 84.22 percent increase in the average number of strikers last year, compared with the previous year. In May, we had the federal civil servant strike. Then in August, the Minas Gerais state employees struck, as did teachers in Sao Paulo State.

This past December, the number of strikes fell by 3.70 percent and the number of strikers by 74.71 percent, if compared with the same month of the previous year. In all, there were 52 work stoppages involving 12,300 strikers, compared with the 54 strikes and 234,900 workers who walked out in December 1992.

December, according to the technical director, is an atypical month because most of the strikes were organized to protest nonpayment of wages and worker entitlements. "In 1992, the recession was worse and more companies had trouble paying their employees the required '13th month' salary. Last year, however, the strikes were organized by companies and demanded payment of a '14th month.'"

Matosinho thinks the number of strikes this year will probably be about the same as in 1993. "We will never see levels as high as in 1989 and 1990," he said. According to DIEESE figures, there was an average of 183 work stoppages a month in 1989, which dropped to 163 the following year.

* IBGE Releases December Unemployment Figures

94SM0217C Sao Paulo GAZETA MERCANTIL in Portuguese 1 Feb 94 p 3

[Article by Rio correspondent Marco Antonio Monteiro]

[Text] The unemployment rate in Brazil in December, as announced yesterday by the Brazilian Institute of Geography and Statistics (IBGE), was 4.39 percent, slightly below November's 4.74 percent. In terms of business sector, the rate fell more significantly in commerce (18 percent) and in manufacturing (16 percent).

Among the six metropolitan regions surveyed, the rate showed the most significant decline in Recife (27 percent), followed by Sao Paulo (11 percent) and Belo Horizonte (8 percent). Unemployment among women fell by 8 percent from November 1993, while among men, the rate declined by 7 percent. The number of employed persons during the same comparison period slipped by about 1 percent.

In 1993, however, the average number of employed was 1 percent greater than in 1992, and higher in certain regions, such as Belo Horizonte (3 percent) and Porto Alegre and Salvador (both with 2 percent). By business sector, the number of employed persons rose by 4 percent in commerce, "pulled along" by Rio de Janeiro (5 percent) and Sao Paulo and Salvador (both at 4 percent). In the services sector (2 percent), the increases were higher in Belo Horizonte (4 percent) and Salvador (3 percent). In terms of numbers employed in construction (4 percent) the most significant findings were the declines in Sao Paulo (6 percent), and in Rio de Janeiro, Salvador, and Recife (all three at 4 percent).

Earnings

The report also shows that average real income of employed persons in November 1993 had risen by 4 percent since the previous month. By segment of activity, there were increases in the earnings of persons employed in manufacturing (10 percent), commerce (7 percent), and services (3 percent).

* Firm Drills for Oil Off Cuba's Coast

94SM0217A Sao Paulo GAZETA MERCANTIL in Portuguese 3 Feb 94 p 14

[Article by Ribeirao Preto correspondent Antonio Costa Filho]

[Text] The Andrade Gutierrez construction group is looking for oil in the maritime waters off Cuba. Having installed an offshore platform and using its own prospecting personnel, the Brazilian company is working on the island as subcontractor to a consortium put together by Total, of France, and the Canadian firm CMW.

Exploration of the Cuban coastline in search of petroleum began last year when risk contracts were signed with multinational oil companies. Since it has no funds to meet any high-cost commitments, Cuba will use the oil taken from the bottom of the sea to pay the companies that operate there.

"Indications of Oil"

Andrade Gutierrez's efforts, explained Roberto Rivas, director for the Americas of the Cuban Cooperation Committee, focused first on reserves that had already been analyzed by Cuban Government geologists and geophysicists. "We have indications that there is petroleum under the sea," said Rivas, who is an important adviser to Carlos Lage Davila, considered to be the strongman of that country's economy.

According to Andrade Gutierrez press advisers, the builder has already fulfilled half the contract. The work began on 18 December 1993. So far, 1,760 meters of drilling has been done in three 3,500-meter deep wells in Cardenas Bay, on the north of Cuba across from Valadere beach (the country's biggest tourist center), according to reporter Elizabeth Rosa.

Andrade Gutierrez sets the total value of the project at $9 million. It took the firm, which began drilling oil wells in Brazil early in the 1980's, 13 days just to transport the platform from Brazil to the Cuban coastline. According to Gutierrez, the platform was inspected by international firms and considered to be "in legal and acceptable condition in terms of the United States trade embargo against Cuba."

Decline in Production

Even during the years of close ties to the Soviet Union, the Caribbean island had been producing as much as one million tons a year of petroleum, Rivas noted. But since Soviet assistance ended, local production has leveled off at about 500,000 tons a year, not enough to satisfy domestic needs.

The state corporation in charge of business transactions in the petroleum field—everything from prospecting to refining and distribution—is Cupet Cubana de Petroleos. The current off-shore risk contracts, the director of the cooperation committee stated, will also have the effect of using the idle capacity of the island's three refineries—one in Havana, another in Santiago de Cuba, and a third in Cienfuegos. Considered the most modern of Cuba's refineries, the plant at Cienfuegos has the capacity to refine three million tons of oil a year.

Franco To Attend Chilean Presidential Inauguration

PY2502024294 Madrid EFE in Spanish 1520 GMT 23 Feb 94

[Text] Brasilia, 23 Feb (EFE)—The Planalto Palace press office today reported that Brazilian President Itamar Franco will attend Chilean President-elect Eduardo Frei's inauguration on 11 March.

Franco's agenda in Santiago de Chile has not yet been disclosed.

In October in Santiago he participated in the Rio Group presidential summit, the main Latin American political and economic forum, which was attended by 13 countries.

Aeronautics Chief Denies Military Pressure on Minister

PY2502131394 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 25 Feb 94

[Text] Aeronautics Minister Lelio Viana Lobo denied alleged talk among military ministers to force Justice Minister Mauricio Correa to resign. Lobo sent a message to all Aeronautics Ministry units denying rumors that he had met the Army and Navy ministers to demand Correa's resignation. He said the rumors were unfounded.

Deadline To End Constitutional Revision Postponed

PY2502020294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 94 p A10

[Excerpts] Brasilia—The Constituent Congress has approved—381 votes in favor, 75 against, and five abstentions—the new deadline to end work on the constitutional revision: 31 May. The promise to approve the deadline date before approving the Social Emergency Fund [FSE] was part of an informal agreement sealed between rapporteur-general Nelson Jobim (PMDB—RS) [Brazilian Democratic Movement Party—Rio Grande do Sul] and the judicial branch. The week before the carnival celebrations, Attorney General Aristides Junqueira disagreed with the proposal to promulgate the amendments in stages, and threatened to resort to the Federal Supreme Court if the government decided to promulgate the FSE apart from other issues under discussion. The solution to the crisis was to establish a deadline for the end of work on the constitutional revision. [passage omitted]

Planning Minister Alexis Stepanenko handed Congress the draft bill that made concrete the agreement reached the day before the voting to ensure approval of the FSE. The housing area will receive $480 million to compensate for the blocking of part of the Provisional Tax on Financial Operations in favor of the FSE. According to government plans, the budget Law will also ensure the same level of investment registered in 1993, including the $250 million portion to be used to pay for teachers' salaries. Stepanenko bet that the FSE would be approved. "All details have already been discussed," he said.

According to the economic team, the FSE estimate collection decreased from $16.1 billion to $15.5 billion during the FSE debate and its voting in Congress. Nevertheless, the FSE will ensure the goal of balancing public accounts in 1994, which was a pre- requirement for the second stage of the economic plan that contemplates the adoption of the Real Value Unit. In the opinion of Senate President Humberto Lucena (PMDB—PB [Paraiba]), the fund can be promulgated right after its approval, if 293 congressmen support a request in this regard to be made by the party leaders.

JORNAL DA BAHIA Folds, Fires Workers

PY2502024494 Sao Paulo FOLHA DE SAO PAULO in Portuguese 23 Feb 94 Section 1 p 9

[From the FOLHA DE SAO PAULO Salvador bureau]

[Text] After 36 years of activity the JORNAL DA BAHIA, the state's second oldest newspaper, yesterday fired about 200 workers and folded. A communique issued by the newspaper's board of directors reported that the economic crisis was responsible for the newspaper's folding.

Chief Editor Isaias Raw, 62, said the newspaper had been operating for two years at a deficit. According to Raw, JORNAL DA BAHIA had an average edition of 18,000 copies (5,000 subscribers) and was mainly circulating in the capital of Bahia and in the metropolitan region of Salvador.

Chile

Government Objects to Argentine Brochure on Disputed Area

PY2402132594 Santiago Radio Cooperativa Network in Spanish 1000 GMT 24 Feb 94

[Excerpt] Foreign Minister Enrique Silva Cimma said the government did not present a protest but a document to the Arbitration Tribunal, noting a brochure published by the Argentine Tourism Under Secretariat locating the Laguna del Desierto area in that country's Santa Cruz Province:

[Begin Silva Cimma recording] More than a protest, what I did was present a formal description of the problem to the Arbitration Tribunal, communicating to it this situation that is contrary to the agreement establishing a deadline after which no one can publish anything that might disturb the normal development of the process. [end recording]

Silva Cimma met President Patricio Aylwin for more than an hour to discuss the issue. Asked if the Argentine

publication somehow constitutes undue Argentine pressure on the judges who will decide the Laguna del Desierto dispute, Silva Cimma said:

[Begin Silva Cimma recording] It does not really represent pressure, perhaps a precedent. We thought it was our duty to note it officially, despite the fact that the brochure was not really published by the Argentine Government, as you all know. The document was issued by a provincial authority, the equivalent of a Chilean intendant or governor. We are investigating it. It seems that it is not even an official document but something published by the province without that character. In any case we are investigating the problem, and we already have presented a note describing the situation to the Arbitration Tribunal. [end recording]

So far the government has not received any answer, which is obviously expected. [passage omitted]

Police Capture Seven Lautaro 'Terrorists'

PY2402193194 Santiago Radio Cooperativa Network in Spanish 1600 GMT 24 Feb 94

[Text] The Investigative Police have captured seven members of a terrorist Lautaro commando cell that is responsible for some of the latest violent incidents, including a double bank robbery in La Providencia Commune and the attack on the Nueva Espana Carabineros building in La Cisterna Commune. This information was confirmed to Radio Cooperativa this afternoon by Investigative Police General Director Nelson Mery.

This cell is believed to be responsible for a series of attacks. Many weapons were found in their possession.

[Begin recording] [Mery] They are responsible for the attack....

[Unidentified reporter, interrupting] Is it true some arrests have been made?

[Mery] We have arrested eight individuals, all members of the Lautaro Rebel and Popular Front....

[Reporter, interrupting] Do we know any of them?

[Mery] Some are important within their criminal organization.

[Reporter] How many of them participated in the latest attacks?

[Mery] They have admitted participating in terrorist activities during the past few months, particularly the Carabineros premises.

[Reporter] How many participated in that attack?

[Mery] They were arrested yesterday. We raided their safe houses and their alternative hideouts. The police seized M-16 riffles, submachine guns, explosives, documents describing the group's participation in various acts, and materials used to forge documents. [end recording]

The police seized five M-16 riffles, two UZI submachine guns, a large quantity of explosives, dynamite, and banners used by the Investigative Police. Let us recall that some of these individuals used Investigative Police documents and shot at Carabineros premises.

The Investigative Police has thus dealt a new blow to this extremist group. We have been asked to keep the names of the terrorists secret, at least for this afternoon. We reiterate, five men and two women were arrested; they are responsible for the most recent terrorist attacks, particularly the double bank robbery in Providencia and the attack on the Carabineros Nueva Espana Building.

Interior Minister on 'Cowardly' Terrorist Attacks

PY2402142594 Santiago Radio Cooperativa Network in Spanish 1000 GMT 24 Feb 94

[Passages within quotation marks recorded]

[Text] Interior Minister Enrique Krauss has referred to the individuals carrying out terrorist actions in the capital as cowards and stupid. The minister said those actions are due to the transfer of terrorist criminals to the so-called new model prison. The minister minimized the importance of the 23 February attacks. Asked if security will be increased at political parties' offices, Enrique Krauss said:

"All appropriate measures were in place at the time of the attacks. That is why police were able to act promptly, avoiding possible damage to the premises or victims."

But do the latest incidents mean that terrorists are active again?

"They have a minimal capacity for action. When they resort to these types of actions, which are small, despicable, and cowardly, as usual, it means they do not have a large capability. It is the typical action of cowards, the kind of persons.... [changes thought] They do not have the capacity; they are not courageous people. This is the typical action of cowards."

Regarding the measures to be taken by police, the minister said:

"The Carabineros and Investigative Police are investigating. The appropriate preventive measures are in place. I want to call the attention of the country to the fact that we are not facing increasing terrorist activities. We are suffering from the stupid, despicable, cowardly action of small, insignificant groups. We have some concrete leads that we expect will lead to the arrest of those responsible."

Krauss said no terrorist group has claimed responsibility for the attacks. There are people in jail because when you

act in democracy and according to the law there is a clear awareness on how to face these incidents. Regarding (ODEP), the so-called organization of political prisoners' relatives and friends, Krauss said it was a group dedicated to protecting and promoting terrorism.

Official Says Attacks Due to Prisoners' Transfer

PY2402162494 Madrid EFE in Spanish 2131 GMT 23 Feb 94

[Excerpts] Santiago, 23 Feb (EFE)—Chilean Interior Minister Enrique Krauss today characterized the terrorists who machine-gunned three young cadets from a prison service school in the last few hours and planted several bombs as "stupid, irrational, and cowards." [passage omitted]

DC [Christian Democratic Party] President Deputy Gutemberg Martinez said he thinks the terrorist attacks that began shortly before midnight on 22 February are an answer to the transfer of 44 inmates serving sentences for terrorist activities to a new maximum-security prison, where there is a strict system regulating visits, and inmates will not be able to dig tunnels such as the two discovered in February.

Police think terrorist leaders, taking advantage of the weaknesses of the old Santiago jail system, have not only continued directing their respective groups but also have established coordinated action between different prisons.

Visits by relatives with direct contact with inmates have made possible the introduction of weapons into the prison. On 20 February, two inmates and four guards were wounded when inmates being transferred to the new jail opened fire on the guards with half a dozen small guns.

Martinez said the new maximum security prison respects all the human rights of terrorists inmates, three of whom are in the third day of a hunger strike in defense of what their relatives describe as "the right to escape." [passage omitted]

Colombia

Casas 'Had Access to Confidential Information'

PA2402192994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Feb 94

[From the "National" newscast]

[Text] Maria del Rosario Casas, the Colombian spy who was working for the Russian KGB, had access to confidential information on the M-19 [19 April Movement] peace process during the time she worked at the Colombian Embassy in Mexico. The question that emerges now is if she also provided information concerning Colombian domestic policy to the CIA.

During her time at the embassy, Casas not only had access to intimate information on the Colombian guerrillas but on other Central American subversive groups who at that time took their ideological leadership from the USSR.

Rafael Vergara Navarro, the M-19's international secretary, addressed the issue.

[Begin Vergara recording] In 1982 and 1983 there was considerable intellectual and political activity in Mexico. If she was, in fact, working for the CIA, she was in a marvelous position to prepare her reports and submit them. [end recording]

Residents of the San Diego neighborhood in Cartagena have vague memories of the Casas-Ames couple, who made rare visits to a home they own there. Augusto Vaca, a neighbor, had this to say about the Ames.

[Begin Vaca recording] They were very quiet, reserved people. They never established close connections in the neighborhood. [end recording]

According to residents of San Diego, the alleged spy couple last visited the neighborhood in 1987.

Foreign Minister Sanin Comments

PA2402203694 Hamburg DPA in Spanish 1816 GMT 24 Feb 94

[Text] Bogota, 24 Feb (DPA)—Today, Colombian Foreign Minister Noemi Sanin said it is unacceptable that Colombian citizen Maria Casas Dupuy, who was arrested in the United States on charges of espionage for the former USSR and Russia, has been both a diplomat and a CIA agent. This is the question that interests the Bogota government in the midst of the huge scandal that surrounds Washington and Moscow. Therefore, the Foreign Ministry has already asked the State Department to explain if Casas Dupuy worked for the CIA when she was the cultural attache of the Colombian embassy in Mexico.

Casas Dupuy, a 41-year-old intellectual, was arrested this week in the United States with her husband, Aldrich Hazan Ames, a high-ranking officer of the CIA, who is accused of selling secret information to the former USSR and then to Russia since 1985. Sanin said the Colombian Government cannot condemn the former diplomat until U.S. authorities clarify this question. She also warned that many times people accused of certain crimes turn out to be innocent.

According to the Foreign Ministry, Casas Dupuy held the post in Mexico from April 1982 to December 1983, which means she would have been playing the double role of a CIA agent and a member of the diplomatic corps. According to FBI documents, the woman has worked for the intelligence corps since 1982. According to Gustavo de Greiff, prosecutor general of the Republic, if it is proven that Ames' wife was a CIA agent and a

Colombian diplomat at the same time, she would be charged with treason to the fatherland.

In addition to clarifying the functions the woman had in the CIA, the Colombian Government has also asked Washington to explain what was the purpose of Ames' visit to Bogota on 30 October to 3 November 1993, when he apparently met with Russian Secret Service agents.

One of the clues the United States used to capture the Ames-Casas couple was an ad published by THE WASHINGTON TIMES last October that said "we are ready to meet in the city you know well." According to investigations, that city would be Bogota.

The arrest of Casas Dupuy surprised everyone in Colombia, inasmuch as her friends remember her as a brilliant person who never showed any political inclinations. The woman, accused of espionage, graduated from the School of Philosophy and Letters of the University of the Andes in Bogota, and she has written poetry and philosophical essays.

Medellin Bomb Explosions Protest U.S. Troop Presence

PA2402185494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Feb 94

[From the "National" newscast]

[Text] Two homemade bombs went off in the pre-dawn hours this morning in Medellin. The targets were a travel agency and a private security company. Seven shops sustained damage. This is the second terrorist act in the past two days to protest the presence of U.S. troops in Colombia.

Sources Confirm Drug Trafficker 'Will Not Be Released'

PA2402192194 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 24 Feb 94

[From the "National" newscast]

[Text] Alleged Valle Department drug trafficker Jaime Orejuela will not be released as was thought. The Cali regional prosecutor's office has issued a warrant for his arrest.

"National" newscast established, through high-level sources within the Dijin [Judicial Police and Investigations Directorate], that an arrest warrant was issued yesterday by the Cali regional prosecutor's office against Jaime Orejuela Caballero for the illegal possession of weapons. Also, the Bogota regional prosecutor's office has another preliminary investigation under way for illegal profiteering.

With the Cali arrest warrant, Orejuela Caballero will be unable to gain his freedom or be extradited to the United States, where he is sought for his role in cocaine production, possession, and distribution. In addition, the Colombian Constitution forbids the extradition of native-born Colombian citizens.

The DEA has also reported that Orejuela Caballero was involved in the murder of his former wife, and he is under investigation for his role in counterfeiting and arms trafficking to Colombia.

Government Said Studying Cali Cartel Operations

94WD0219Z Santa Fe de Bogota EL ESPECTADOR in Spanish 23 Jan 94 p 6A

[Article by Julian Rios Rojas: "Second Round Against Cartels"]

[Text] Santa Fe de Bogota—The death of the drug trafficker Pablo Escobar Gaviria marked the beginning of a new battle in Colombia: putting an end to the Cali Cartel.

According to the international police forces, the proof that the organization started coming under attack this year is shown in the results of recent operations that have made it possible to seize abroad gigantic cocaine shipments originating with the Cali Cartel.

In Colombia, the Counternarcotics Police and the state's intelligence and security agencies also have set out to battle that group head-on, because, according to a high-ranking official of the institution, "Now, there will be more time to fight it."

The authorities prepared a study on the organization's *modus operandi*, in order to learn the systems for trafficking with the alkaloid, as well as its production and the processing sites.

EL ESPECTADOR had access to several intelligence analyses that, surprisingly, reveal that the Cali drug traffickers control 80 percent of the cocaine shipped abroad.

The reports demonstrate that the Cali Cartel specializes in coca growing and production, and, finally, its crystallization. According to the documents, that cartel was formerly purchasing basic cocaine paste in Peru and Bolivia but, for the past several years, has been producing its own coca.

These reports reveal that, in view of the offensive conducted by the Counternarcotics Police against the drug trafficking ring, the latter decided to transfer its laboratories and some of its members to Ecuador, Venezuela, and Brazil.

The police official queried claimed: "Ecuador has become a bridge for the Cali Cartel. Impressive amounts of the drugs confiscated have come from that country."

This statement corroborates the results of some operations against the international rings in which cocaine shipments loaded in Ecuadoran ports have been seized.

This year the most severe blow dealt to the Cali Cartel by the police forces of Colombia, Italy, and the United Kingdom was operation "Angelo II." In this operation, after extensive intelligence work lasting over four months, a cocaine shipment that had departed from Ecuador was discovered.

Ten persons were captured, including some of the principal liaisons in Colombia and abroad. The Counternarcotics Police director, Colonel Teodoro Campo Gomez, returned from Italy this weekend, and will submit a detailed report on the operation.

In Venezuela as Well

Moreover, the drug traffickers have crossed the Colombian-Venezuelan border, engaging in their illicit activities from several of that country's jungle sites.

One of those Venezuelan locales discovered by the Colombian police is the site known as Puerto Ayacucho, where the Cali cartel is growing and processing coca for subsequent shipment to Europe.

The police reports indicate that Brazil has become another strategic point for the Cali Cartel. Its members are producing large volumes of cocaine there also.

Insofar as Colombia is concerned, only 5 percent of that drug is produced in Valle del Cauca; while 75 percent comes from the departments of Guaviare, Vichada, Vaupes, Meta, Casanare, Huila, Putumayo, Arauca, and Amazonas. Another large percentage is produced in Ecuador, Venezuela, and Brazil.

The reports note that, simultaneously with its cocaine trafficking, the Cali Cartel is laundering money in Argentina, Chile, and Panama. In this latter country, two business firms located in the Colon free trade zone are being investigated for laundering dollars on behalf of the Cali Cartel.

The investigators believe that, this year, the Cali Cartel will not be able to produce more than 20 percent of the cocaine. They claim that the operations being conducted are causing the members of that organization to tremble.

Reportage on Official Visit by Argentina's Menem

Remark on Chiapas Noted

PY2202152494 Buenos Aires LA PRENSA in Spanish 20 Feb 94 p 3

[Text] President Carlos Menem, who is resting in Cartagena de Indias with Colombian President Cesar Gaviria, said there is no subversion in Argentina and "what happened in Chiapas cannot happen in Argentina."

In an interview published today in the Spanish newspaper ABC, Menem said: "Some kind of subversion has taken place in Santiago del Estero, but measures were adopted and the incidents are being investigated."

"The problem in Chiapas is ethnic and religious, something that does not happen in Argentina. There is no possibility of subversion here," Menem said.

"The incidents in Santiago del Estero were motivated by infiltrators, which explains the statements made by Daniel Ortega a few days ago in Cuba, in which he vindicated the armed struggle and mentioned the events in Chiapas and Santiago del Estero as an example."

"If Daniel Ortega mentioned Santiago del Estero as an example, it is because people have been infiltrated there by these elements, death traffickers, because subversion is without doubt traffic in death."

When asked what the solution will be to the Aerolineas Argentinas conflict with Iberia [Airlines], Menem said: "If the problem is not solved by the day I arrive in Spain, of course we will talk about it with the Spanish Government."

He also added that "of course" the Argentine Government wants Spain to continue, through Iberia, its participation in Aerolineas.

"That is why we privatized the company. We are trying to transfer the shares the government has (43 percent) in Aerolineas. We will transfer 28 percent of the shares and keep 15 percent," Menem said.

He added: "If it is possible to privatize all the shares we will do so, but meanwhile, since the adjudication of shares to Iberia, the transfer of shares represents a form of capitalization for the Spanish company, thereby allowing it to continue operating in a more positive and fluent manner."

Endorses Gaviria's OAS Candidacy

PA2502042494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 22 Feb 94

[Report by Azucena Lievano, from the "24 Hours" newscast]

[Excerpt] President Carlos Menem has taken advantage of his official two-day visit to Colombia to confirm Argentina's support for President Gaviria in his bid for the post of OAS secretary general. He even had time to speak about his heart.

Argentine President Carlos Menem today gave President Gaviria a strong endorsement in his bid for the post of OAS secretary general. Menam also announced both presidents will seek the support of other countries.

[Begin recording] [Unidentified reporter] Do you think the role President Gaviria will play at the OAS, if elected secretary general, will be a good one?

[Menem] He would be a good secretary general for many reasons. The OAS, under the leadership of President Gaviria, if he is indeed elected, can improve its work and performance. [end recording]

Carlos Menem went on to talk about more than the OAS. The Argentine president, who has generated many controversies over family scandals in his country, confirmed not only that his heart is good, but also that it is still beating.

[Begin recording] [Menem] Thank God, my heart is doing very well.

[Reporter] Are you in love or not?

[Menem] I thought you were asking about the clinical and medical condition of my heart.

[Reporter] I am asking about both.

[Menem] Well, my heart is doing fine in both senses. [end recording] [passage omitted]

Ends Trip, Returns to Buenos Aires

PY2302153794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1246 GMT 23 Feb 94

[Text] Buenos Aires, 23 Feb (NA)—Argentine President Carlos Menem arrived from Colombia at 0720 local time [1020 GMT] today. In Colombia, Menem signed several bilateral integration agreements with his Colombian counterpart, Cesar Gaviria.

President Menem arrived at the Aeroparque Metropolitan Airport military base with Foreign Minister Guido Di Tella, Education Minister Jorge Rodriguez, Military Household Chief General Jorge Rearte, Tourism Secretary Francisco Mayorga, and other officials.

Thus, Menem concluded another tour through Ecuador and Colombia, where he signed several key economic and political cooperation agreements. The president left the airport for the Olivos presidential residence without making any statements.

Accord Allows Cuba To Buy 20,000 Barrels of Oil Daily

PA2502022094 Madrid EFE in Spanish 0057 GMT 25 Feb 94

[Text] Santa Fe de Bogota, 24 Feb (EFE)—Mines and Energy Minister Guido Alberto Nule Amin announced today that Colombia will sell 15,000-20,000 barrels of petroleum per day to Cuba. The high-ranking official, who returned from Havana today, said both governments are interested in beginning the transaction. Nule Amin also indicated that the first shipments of Colombian petroleum to the Caribbean island will be made some time between June and July.

"We expect to finalize some details, such as payment and timeframe formulas" very soon, Nule Amin said. The minister explained that "these will be direct sales," making it known that the transactions will not involve any type of compensation or barter mechanisms. Guido Nule Amin emphasized that during the negotiations it was made clear that Colombia is willing to sell petroleum to Cuba, but under the same "conditions that prevail on the international market."

The Colombian minister said Cuba currently consumes 50,000-60,000 barrels of petroleum and that, according to what was agreed upon in Havana, Colombia will initially supply one-third of Cuba's fuel supply. Colombia produces approximately 420,000 barrels a day. It consumes half of that amount and exports the rest.

Roundup of Reportage on Electoral Developments

PA2402223494

[Editorial Report] The following is a compilation of reports on developments related to the Colombian elections scheduled for 8 May 1994:

New Democratic Force (NFD) presidential candidate Andres Pastrana Arango has vigorously defended Colombian coffee producers during a meeting with residents of Bolivar, Andes, and Tamesis Municipalities in Antioquia Department. Pastrana said, "We must remember that coffee producers have promoted development in areas where crops are grown, as well as throughout the country in general." He also told his audience that we "cannot turn our backs on them now." (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Feb 94 p 7A)

At a meeting in Teusaquillo neighborhood in Santa Fe de Bogota, Conservative presidential hopeful Rodrigo Marin Bernal criticized NFD candidate Andres Pastrana's government program as being very weak. Marin said that Pastrana's program either evades the most pressing issues or approaches them in an overly simplistic manner. In Marin's opinion, Pastrana's approach is so superficial that "it would have been better for him to remain silent." (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Feb 94 p 6A)

The Conservative National Directorate has decided to join the support expressed by Alvaro Gomez and the National Salvation Movement (NSM) for Andres Pastrana's presidential candidacy. A member of the directorate praised Pastrana's government program because of its national—as opposed to partisan—scope. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 17 Feb 94)

Presidential hopeful Andres Pastrana says that some Conservatives are trying to trap his campaign into being essentially conservative, when in truth it is a national suprapartisan movement. On 19 February, Pastrana toured eight municipalities in Bolivar Department. During the tour, Pastrana said: "I have said throughout all of Colombia that we do not want threats, kidnappings, violence, or massacres. The Colombian people want to consolidate peace, and by way of peace, we can attain development and, through development, the well-being of all Colombians." During the tour, Pastrana

urged guerrilla groups to lay down their weapons. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 20 Feb 94)

Conservative presidential hopeful Marin Bernal says he will continue campaigning for the presidency, adding that after 14 March he will conduct a nationwide campaign called "The One Left Homeless by Alvarismo [Alvaro Gomez of the NSM] and Pastranismo [Andres Pastrana]," because he believes he has been sacrificed because of his differences with the Pastrana and Gomez camps. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Feb 94)

A month before the Liberal Party's presidential candidate is scheduled to be officially nominated, Carlos Lemos and David Turbay have stepped up their campaigns. Lemos believes that a form of violence worse than guerrilla warfare is created when the state plunges the people into poverty. Lemos says, "We must pay greater attention to this type of violence, because it fosters greater instability; therefore, we must establish a dialogue with people who are out of work." Meanwhile, David Turbay insists he will be nominated as the party's candidate. He said, "Even without the blessing of those who think they own the country, I will win the elections. I will win with God's blessing alone." (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 14 Feb 94 p 6A)

Liberal Party member Carlos Lleras de la Fuente today officially announced he will seek the party's presidential nomination. He told President Gaviria, "I want to be president of Colombia, not vice president." (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Feb 94)

Liberal presidential hopeful Ernesto Samper has visited four municipalities in Santander Department to explain his economic program, which focuses on housing and special attention for women and peasants. He said: "I am going to return the Agrarian Bank to the peasants of Santander, and we are going to strengthen the national rehabilitation plan." (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 20 Feb 94)

Antonio Navarro Woff, presidential candidate of the 19 April Movement Democratic Alliance (AD/M-19), today commented on President Cesar Gaviria's bid to become secretary general of the OAS. During a campaign appearance, Navarro Wolf said, "It is essential for Gaviria to tell the people of Latin America whether, if elected to the post, he plans to serve Latin America or to serve the United States." (Mexico City NOTIMEX in Spanish 1842 GMT 17 Feb 94)

AD/M-19 presidential candidate Navarro Wolff has said the party's leadership should be enhanced. He also said he fears that the party could disappear from the political landscape. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 20 Feb 94)

Ecuador

Defense Minister Denies Rumors of President's Resignation

PA2402234694 Quito Voz de los Andes in Spanish 2303 GMT 24 Feb 94

[From the "Voz Andes" newscast]

[Text] Ecuadoran Defense Minister General Jose Gallardo, retired, has denied new rumors that indicate President Sixto Duran-Ballen has resigned. Gen. Gallardo also denied rumors of democratic instability in the country, and has expressed his full support for the president of the Republic—Sixto Duran-Ballen—assuring that the president will complete his four-year term.

[Begin Gallardo recording] The Ecuadorans elect their leaders to four-year terms. The Armed Forces have the duty to uphold the legitimate authorities, institutions, the Constitution, and the laws. We have to give the government the opportunity to carry out its program. It is only in the first 18 months of its term. [end recording]

Defense Minister Jose Gallardo asked Ecuadorans to dismiss the rumors, and he vowed that the Armed Forces will not participate in violating constitutional order in Ecuador.

Government Initiates 'Strict' Austerity Program

PA2502043594 Quito Voz de los Andes in Spanish 2300 GMT 24 Feb 94

[From the "Voz Andes" newscast]

[Text] Quito—Government spokesmen have reported that the government has initiated a strict austerity program in an effort to achieve the economic stability and development goals set for the current year. The program includes the elimination of investments in new projects and programs, except for those projects considered to be of utmost importance.

According to the decree issued by the government of conservative President Sixto Duran-Ballen, the procurement of new domestic and foreign loans now depends on the existence of specific financing. The government will not agree to any international commitments, agreements, or contracts without first ensuring the existence of funds, and commercial contracts will only be signed once it has been verified that dependable domestic or foreign financing exists to support them.

Paraguay

Police Repress Tavapy Peasants; Injuries Reported

PY2402175494 Asuncion NOTICIAS in Spanish 24 Feb 94 pp 2-3

[Report by Juan Carlos Salina]

[Excerpt] Tavapy 1, Alto Parana—The police reacted violently against the some 400 peasants from Tavapy 1 and 2 who partially occupied Route No. 6, nearby km 22, for a short while in protest over the serious economic hardships they are experiencing and to demand at least 1,000 Guaranies per kilogram of cotton.

Almost 100 people were injured as a result of the police repression. One person was seriously injured by a tear gas canister.

The long history of struggle by Tavapy peasants was revived yesterday when about 400 of them temporarily occupied the road despite a strong police contingent. They refused to withdraw and sustained beatings and were the target of tear gas. [passage omitted]

Former Governor Receives Death Threats, Seeks Asylum

PY2402192594 Asuncion NOTICIAS in Spanish 24 Feb 94 p 10

[Excerpt] Rodolfo Friedmann, the former governor of Guaira Department, has sought asylum at the Spanish Embassy because he has received death threats. However, because there is no asylum treaty between Spain and Paraguay, Friedmann was unable to achieve his goal. Nevertheless, Spanish Ambassador Asuncion Anzorena put Friedmann into contact with Interior Minister Carlos Podesta, who offered him the necessary guarantees and placed a police guard at his disposal. Friedmann also made serious charges against President Juan Carlos Wasmosy and Senator Juan Carlos Galaverna.

Former Guaira Governor Rodolfo Friedmann yesterday reported that during the evening of 21 February three armed individuals who got out of a Santana at the corner of Republica Argentina and Espana Avenues made death threats against him, his wife, and his children.

Friedmann added that he was warned that if he did not withdraw all charges made against the president in view of the decree accepting his resignation, his wife and children would suffer the consequences.

In view of this incident, Friedmann tried to seek asylum at the Spanish Embassy to protect himself. He added that because there is no asylum treaty between Spain and Paraguay, the Spanish ambassador put him in contact with Interior Minister Carlos Podesta.

According to Friedmann, Podesta offered him the necessary guarantees. This was evidenced yesterday afternoon, when Friedmann received police custody.

Friedmann added that after having held a telephone conversation with the Spanish ambassador he again received death threats, warning him that the action was to be perpetrated yesterday. [passage omitted]

Episcopal Group Urges Authorities To Solve Social Problems

PY2502125194 Asuncion ULTIMA HORA in Spanish 24 Feb 94 p 5

[Text] The Paraguayan Episcopal Conference, presided over by Monsignor Oscar Paez Garcete, issued a note addressed to civilian authorities and political, social, peasant, and workers' leaders urging them to seek appropriate ways to find just solutions to the grave social problems affecting our country.

According to the bishops, dialogue is the most important tool for understanding because it will lead to a better interpretation of people's needs "because we know that radicalized positions of opposing interests always lead to violent confrontations and will increasingly deteriorate our fragile democratic coexistence."

The note says that the best efforts must be made to acquire and develop attitudes and actions seeking the moral cleansing of our institutions, companies, and individual behavior.

The note also says that institutions and state powers must have a quota of power and responsibility to be able to seek, promote, and administer the common good in democratic ways, and particularly respecting the poor.

"An adequate economic order requires a permanent review in accordance with dynamic criteria of social justice. Everyone, and particularly Christians, in labor as well as managerial leadership positions must have a deep and clear view of our common good. This is the best tool for fighting the corruption that corrodes democratic ideals and hinders social and human progress," the Paraguayan bishops' letter says.

The document adds that the problems now surfacing in diverse demonstrations have been there for a long time: land needs, better prices for agricultural products, and better salaries. These problems are not isolated or circumstantial, but they affect the entire country. This means that solutions have not yet been proposed for these problems, which grow worse every day and risk producing a generalized social outburst.

The document says that the much-yearned-for democratic political institutions, which have been in place for some years, cannot offer a satisfactory answer on their own to the needs of the poorest sectors of the population in order to achieve social coexistence and the enjoyment of an authentic peace.

It is therefore evident that state institutions have a special responsibility to promote immediate initiatives seeking just solutions to these problems, something that cannot continue to be postponed.

"As believers, we must look at these problems through God's eyes and understand them according to the wishes of our merciful father," the note adds.

The bishops conclude by exhorting people to trust and pray, knowing that the light we need to act according to God's wishes comes from Him, who is a father full of mercy.

Venezuela

Retired Officer Involved in Coup Released From Prison

PA2402182394 Caracas Venezolana de Television Network in Spanish 1550 GMT 24 Feb 94

[From "The News" newscast]

[Text] Just a few minutes ago, retired Lieutenant Colonel Francisco Arias Cardenas met with President Rafael Caldera. Coming out of the meeting, Arias Cardenas said the meeting is the first step toward pacification. He also reiterated his commitment to those companions who in jail.

[Begin Arias Cardenas recording] Basically, the reason for my being here today, at Miraflores Palace, accompanied by Captain Luis Valderrama and members of my family, is for an initial rapprochement with President Rafael Caldera. In all sincerity, I believe we are living in a somewhat new atmosphere which favors change and brings hope. I feel the changes—or the beginning of the changes that started 4 February and 27 November 1992—are become stronger; one indication of this is that we have a new government which the Venezuelan people elected on 5 December 1983. [as heard] Our conversation mainly covered the political prisoners and the pacification process promoted by the president of the Republic. [end recording]

Last night after the dismissal of his case and the case of nine other officers who participated in the first coup attempt of 1992, retired Lt. Col. Arias Cardenas said that to accept pardon does not mean he regrets his past actions. Arias Cardenas held an impromptu news conference on Los Proceres Avenue, during which he clarified that those who have been released are not abandoning those who are in prison. He feels it is just a matter of using different methods of struggle, adding that each individual's stand is respected.

[Begin Arias Cardenas recording] One cannot think that the person who is in jail or who has been released is courageous or cowardly. There are different ways of confronting the truth, which we must do at this time, as a responsibility because of the trust all Venezuelans have. [sentence as heard] In the first place, I firmly declare that I am in complete solidarity with the companions who remain in prison and with their proposals. [end recording]

Arias Cardenas, who is considered the ideologist of the 4 February 1992 coup attempt, pointed out that he is not ruling out participating in political activities if the circumstances so determine it. He explained that he requested his retirement 6 months ago precisely to engage in politics.

Finance Minister, OCI Director Say VAT Still in Effect

PA2502022194 Caracas Venezolana de Television Network in Spanish 1550 GMT 24 Feb 94

[From "The News" newscast]

[Text] The value-added tax, VAT, is still in effect, including the consumer phase of it, Finance Minister Julio Sosa Rodriguez has announced. Guillermo Alvarez Bajares, OCI [Central Information Office] director, has also reaffirmed this announcement.

Both officials have stated that the current administration cannot repeal a law via a resolution or decree, adding that VAT was included in the Special Powers Act, which gave special powers to former President Ramon J. Velasquez.

[Begin Alvarez recording] Legally, this government cannot modify the VAT Law. This government cannot simply say VAT will be canceled. This situation will be settled when Congress approves the draft bills the government will present, via Dr. Sosa Rodriguez, to meet the same objective. These projects.... [pauses] The economic result of these draft bills, so to speak, will cover the noncollection of VAT. [end recording]